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Don’t Get Hurt

“If you don’t acquire good visibility, what you don’t know about your supply chain can and will hurt you.”

– Greg Schlegel, executive in residence, supply chain risk at Lehigh University, Bethlehem, Pennsylvania

10 CONSECUTIVE MONTHS

Length of the latest air cargo demand slump. While the global coronavirus outbreak is having an impact, it was the Lunar New Year that caused the latest decline.

– International Air Transport Association

JUST ANOTHER BRICK IN THE MALL

Burlington Stores is ending its e-commerce operation and focusing on growing its brick-and-mortar business. E-commerce accounted for only 0.5% of sales, and customers prefer the treasure hunt in physical shops, according to the off-price retailer.

SALES AT FULL MASK

Year-over-year dollar sales growth of health-related consumer packaged goods in the United States in the four weeks ending on February 22, 2020:

<table>
<thead>
<tr>
<th>Product</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medical masks</td>
<td>319%</td>
</tr>
<tr>
<td>Household maintenance masks</td>
<td>262%</td>
</tr>
<tr>
<td>Hand sanitizer</td>
<td>73%</td>
</tr>
<tr>
<td>Thermometers</td>
<td>47%</td>
</tr>
<tr>
<td>Aerosol disinfectants</td>
<td>32%</td>
</tr>
</tbody>
</table>

We believe that the front door of our store is now on the customer’s pocket.”

– Craig Menear, CEO and president, Home Depot, referring to mobile commerce. Digital sales for the home improvement retailer grew 21.4% for all of fiscal 2019, and 50% of online orders are picked up at a Home Depot store.

The amount of time Americans lose due to traffic congestion, costing $1,377 per driver. Boston is the worst area in the nation, with the average driver losing 149 hours.

– INRIX

99 hours per year

The amount of time Americans lose due to traffic congestion, costing $1,377 per driver. Boston is the worst area in the nation, with the average driver losing 149 hours.

– INRIX
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MORE NEWS ONLINE

ARE YOU READY TO JOIN THE CIRCULAR SUPPLY CHAIN?
As the pressure to shift from a traditional linear supply chain to a circular one intensifies, companies will need to revisit how they produce and deliver products. Here are four things to consider before kicking off your sustainability project.
bit.ly/circular_SC

THE DELIVERY ECONOMY IS HERE TO STAY. HOW TO GET AHEAD OF THE RACE.
Customers expect low-cost, fast, and highly transparent delivery of goods. To thrive in this new delivery economy, supply chain stakeholders have to define what makes a great delivery experience and align strategies to customer experience expectations.
bit.ly/delivery_economy

HOW IS CORONAVIRUS IMPACTING E-COMMERCE?
As COVID-19 continues to upend supply chains, companies are rewriting inventory strategies and reconsidering trade routes. How is the virus disrupting e-commerce operations, and how can retailers respond and recover?
bit.ly/covid19impacts

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Flexing Muscle on China Trade Compliance

The Trump administration is using a novel approach—ecommerce shipment enforcement—to ensure that China complies with Phase 1 of the U.S.-China trade deal signed in January 2020. Trade compliance intersects with billions of dollars of e-commerce shipments in Operation Mega Flex, which the Department of Homeland Security outlined in late February 2020. Mega Flex targets what U.S. trade negotiators call the “seven deadly structural sins” that would violate China’s trade partnership with the United States. Two of those “sins” are intellectual property theft and illicit production and shipments.

Accordingly, parts of the Phase 1 agreement state that China promises to cut harmful shipments to the United States—MDMA, meth, fentanyl and other opiates, fake coronavirus meds, and fake high-end goods such as the iPhone 11 and AirPods—which e-commerce players deliver by the millions.

The partial trade deal does, on paper at least, offer benefits to the United States, says The New York Times. The bulk of the tariffs remain in place but, given compliance history, “enforcing the deal will be difficult,” The Times opines.

That’s where the e-commerce connection comes in. The Trump administration plans to ensure compliance by holding e-commerce companies, including Amazon, Facebook, Alibaba, AliExpress, Instagram, and eBay, financially responsible for helping China traffic in products that the trade deal forbids.

Operation Mega Flex is a “monthly look under the hood of thousands of Chinese packages that come in by air to the various ports around the country,” explains Dr. Peter Navarro, Trump’s director of trade and manufacturing policy, to determine violations that have been going on for years.

Why have these violations been going on for so long? Partly because in the past, case law was determined when the U.S. government, and specifically the Department of Justice, “didn’t understand the implications of e-commerce,” Navarro says. To remedy that, the Trump administration is targeting regulatory laws on the books to align regulations with market realities.

President Trump signed an executive order in January 2020 that levies civil penalties against companies that allow the sale of counterfeit products. Moving forward, the White House is working to bring a “proposal to the Hill” that would rewrite the regulatory laws needed “to hold these e-commerce platforms accountable,” Navarro states.

Will compliance be as difficult as The New York Times predicts? Perhaps. But at least Amazon is listening. According to a Reuters report, Amazon recently flexed its own compliance muscle by barring one million bogus coronavirus products from being sold on its marketplace. Voluntarily.
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What supply chain insight would you share with your younger self?

Supply chains are more straightforward than they appear. All the acronyms and industry-specific terms seem confusing, but they’re all in service of moving things from origin to destination.

Ethan Frisch
Co-founder
Burlap and Barrel

Take emotion out of your decision making and always be forward thinking.

John McPerson
Director, Global Solutions
rfxcel

Supply chain is a combination of management with engineering. It’s about designing global networks so that materials, information, and money can flow efficiently. And then managing the people, processes, and technologies in these systems to create the most value for your customers, and for your company.

Daniel Stanton
Author, Supply Chain Management for Dummies

Take emotion out of your decision making and always be forward thinking.

Dave Reiss
SVP, Strategic Partners
Arrive Logistics

Be more proactive about creating and organizing a data-driven supply chain. While there is always a cost, investment in new technologies that lay a foundation of digital data will only increase in value over time.

Justin Bailie
Co-founder and Chief Strategy Officer, Rose Rocket

Remember it’s a people business. It is a dynamic environment and requires skills related to building relationships, understanding technology, high-level execution, problem solving, strong attention to detail, and having a drive to always improve. Stay curious and seek to understand the complexity of supply chain, and don’t be afraid to challenge the status quo.

Eliminate the silos. A chain should be coupled links that are connected to make a strong entity but that fails to exist in 2020. Use technology to create the links that are needed to enable connectivity.

Richard Singh
Business Development Analyst
Allyn International

Have a great answer to a good question?
Be sure to participate next month. We want to know:

Is supply chain visibility improving? What’s one blind spot shippers should address ASAP?

We’ll publish some answers. Tell us at editorial@inboundlogistics.com or tweet us: @ILMagazine #ILgoodquestion
Evergreen i-B/L, i-Dispatch

Ever Innovative, Ever Efficient, Ever Reliable

By introducing the paperless i-B/L and digitalized i-Dispatch document transmission, Evergreen ShipmentLink portal is now offering a pioneering functionality to turbocharge your efficiency.
Instead of taking major tax hits by importing directly from China to the United States, consider Canada as an intermediary. By shipping to Canada first, retailers can secure much-needed tariff relief from China and duty-free shipping to the United States by leveraging the existing infrastructure of 3PLs.

—Rebecca Steele
Content Marketing Manager, PFS

**Fast TAKES**

**Which country do you see as up-and-coming for sourcing?**

The smart money is on Mexico as the sourcing hub of the future for products sold in the United States. Proximity, quality, and speed-to-market are becoming more important than cheap labor, and as Mexican factories become more flexible, there is no better country to consider for an agile sourcing strategy.

—Mark Burstein
President, NGC

Mexico is becoming an even more present destination for sourcing. With global trade tensions, executives are planning ahead and doubling down. Mexico is well positioned and takes away the uncertainty of looming tariffs.

—Ross Spanier
SVP, Sales and Solutions
GlobalTranz

With a stable pro-business government, a growing economy, a deep-water port, and a low-wage but literate workforce, Cambodia is set to become increasingly important for sourcing. Rich in resources including chrome, antimony, manganese, molybdenum, tungsten, bauxite, copper, lead, zinc, and tin, the country has already doubled its export volume in the past two years.

—Jerry Critchfield
VP, Transportation Operations
Weber Logistics

---

**Re. The Death of Your Profession?**

bit.ly/SCM_prognosis

I finally got to reading my usual business catch-up magazines and blogs last month and loved your writeup. I agree with your conclusion; technological advance does not equate to loss of jobs whether it be cars replacing horses, or computers replacing accounting clerks.

—Joseph Alba
Metropolitan Airport News

**Re. Coronavirus Precautions**

bit.ly/covid-19supplychain

Here’s how to maintain key supplier relationships in an unpredictable environment.

- Identify which suppliers and alternate suppliers are located in the affected region, and determine ways that your company can help your suppliers. This could look like early payments on open invoices, alternate supply routes, or a donation to a local cause trying to alleviate the current problem.

- Communicate with every supplier that you have a couple of options to support them during the period and assure them that if they need to pause current production, the relationship will be there when they are ready.

- If your supplier says they can continue operating, you will need to assess if this is realistic or not. Your supplier may be hoping they can continue operating. Ultimately, you need transparency so your operations can continue.

- For future disruptions, you will need to have an open dialog with suppliers and create a game plan to overcome the next disruption. Risk assessments and continuous monitoring for risks associated with your suppliers are key first steps. And determining which alternative vendors can fill in as a replacement will be critical in minimizing disruption.

—Danny Thompson
SVP, Market and Product Strategy
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Preventing for Global Trade Disruption

Finished goods importers are especially vulnerable when unexpected disruptions take place. These suggestions can help you through what is shaping up to be a trying 2020.

1 TREAT YOUR RESPONSE TO COVID-19 AS A RISK MANAGEMENT AND MITIGATION PROJECT.

There has to be C-level recognition of imminent supply chain threats and an organization-wide focus on addressing those threats. Form a supply chain risk mitigation team that is made up of professionals from sourcing, purchasing, sales, logistics, finance, and IT.

2 INCORPORATE S&OP BEST PRACTICES.

Because the sales and operations planning function compares forecasted/budgeted supply chain outcomes with actual results and then makes operational adjustments, importers will have a leg up on how best to mitigate supply chain risks.

3 DEVELOP A RESPONSE PLAN.

Conduct a current-state analysis of all outstanding purchase orders (POs) placed on vendors in the affected country. Based on the outcome, execute a rolling review on the status of all outstanding and planned PO releases. Done on a product category and item-specific level, this provides a detailed view into immediate and medium-term actions.

4 CALL YOUR VENDORS TWICE WEEKLY.

Use these calls to understand where in the supplier’s master production schedule your POs are accounted for. This is essential to understanding updated cumulative lead times (CLT). After the previous night’s review with vendors, hold a daily morning huddle with the risk mitigation team to formulate PO-specific risk mitigation activities.

5 CHANGE ERP OR MRP SOFTWARE WITH PO-SPECIFIC UPDATES IN HAND.

Unless CLT updates find their way into supply chain planning software tools, the system will continue thinking that in-house dates are accurate when they’re not.

6 MAKE OCEAN CONTAINER BOOKINGS THREE WEEKS BEFORE THE DESIRED SAILING DATE.

Whereas normal trade practices call for a two-week window for container bookings, an extra week may help secure space on ships. Also, anything longer than three weeks may result in steamship lines rejecting a booking, so it’s best not to extend things too long. Make sure vendors aren’t exaggerating booking needs in an effort to secure space. If a vendor books for five containers when they only need two, steamship lines will soon pick up on no-show bookings and potentially refuse future bookings.

7 ENGAGE WITH FREIGHT FORWARDERS, CUSTOMS BROKERS, AND OTHER LOGISTICS SERVICE PROVIDERS DAILY.

In addition to providing vital transportation services, logistics service providers (LSPs) can offer up-to-date market intelligence on issues ranging from congestion at origin ports to destination drayage bottlenecks. Insist that vendors and LSPs are in daily contact with one another regarding shipping needs, and that they convey the results of those daily huddles back to you. The transition from manufacturing to shipping is vital to CLTs, and a lack of communication between supply chain players can cause unneeded delays.

8 FORMULATE A STRATEGY FOR POSSIBLE CONTINUATION OF DISRUPTION BEYOND THE END OF THE FIRST QUARTER.

Importers negotiate ocean freight rates with carriers and non-vessel operating common carriers in the March-April time frame. As part of that negotiation, hammer out clauses on ocean freight rates, no-role clauses, arbitrary charges, and the acceptance of general rate increases and/or peak season surcharges.

9 CONSIDER ALTERNATIVE PORTS OF LADING AND/OR PORTS OF DISCHARGE.

Because some ports in China and the United States run the risk of bottlenecks when production ticks upward, it may be prudent to consider other ports. This will require a change in CLTs, but the net result may actually be better.

10 INCLUDE THE USE OF AIR FREIGHT IN YOUR RISK MITIGATION PLAN.

Airfreight rates from China or the country experiencing disruption are through the roof, so it’s best to engage now with freight forwarders for updates to both rates and air cargo capacity.

SOURCE: DAN GARDNER, PRESIDENT, TRADE FACILITATORS
In today’s fast moving world, improving the supply chain is the only way to bridge the gap between you and your trading partners. To accomplish this, you will need an innovative team of dedicated professionals with over 35 years of experience in logistics and ocean transportation. You will need more than a positive customer experience. You will need a company committed to improvement and innovation. At Seaboard Marine, your customers are closer because our customers are at the center of everything we do.
RECALLING THE NEED FOR BETTER SUPPLY CHAIN MANAGEMENT

Product recalls are an emerging risk for auto original equipment manufacturers (OEMs), compounded by the complexity of global decentralized supply chains, stringent government safety mandates, and increasing cost pressure for suppliers.

Global auto companies source components from numerous manufacturers worldwide. Managing this complex global supply chain is an increasingly difficult challenge for OEMs. The January 2020 recall of 63 million Takata air bags reveals major gaps in the auto industry’s supplier relationship management practices.

Most supplier programs are built only for Tier 1 suppliers; more than 70% of OEMs have zero visibility of their Tier 2 and 3 suppliers, finds Research and Markets’ latest report. The immediate need is for auto companies to develop robust, responsible relationships with suppliers to reduce the risk of recalls.

A strong OEM-supplier governance mechanism will also ensure socially responsible recalls and quicker recovery from a recall crisis. Strategic supply chain management, supported by supply chain analytics and software systems for supplier tracking and management, is crucial. Especially against the backdrop of the commercialization of autonomous and smart cars, the focus on “zero-defect” manufacturing should gain more significance.

Auto OEMs also need to move from reactive firefighting to recall prevention by stepping up quality-management strategies from single quality processes to integrated quality systems, the report concludes.

SHIFTING TO SMART FACTORIES

The auto industry is motoring ahead in smart factory adoption, and is set to increase investment by more than 60% in the next three years, resulting in productivity gains of more than $160 billion, according to a new report from the Capgemini Research Institute.

Key points of the report include:

- The automotive industry has exceeded previous expectations on smart-factory development.
- Automotive is moving faster than other industries to convert factories into smart facilities.

Projected investment levels and productivity gains related to smart factories are significant, the report finds, but only 10% of auto firms are ready to take advantage through deployment.

The industry has set stiff performance targets for smart factories, but these are a long way from being fulfilled: Of the 35% productivity improvement target, just 15% has been achieved. Only an 11% gain occurred in overall equipment effectiveness and reduced stocks/work in process, compared to targets of 38% and 37%, respectively. Many initiatives are yet to be scaled fully.

### AVERAGE ANNUAL INVESTMENTS IN SMART FACTORIES

(as a percentage of revenue, next three years)

<table>
<thead>
<tr>
<th>Size</th>
<th>Automotive</th>
<th>Global Manufacturing</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1-5B</td>
<td>3.3%</td>
<td>3.1%</td>
</tr>
<tr>
<td>$5-10B</td>
<td>3.8%</td>
<td>3.4%</td>
</tr>
<tr>
<td>$10B+</td>
<td>3.5%</td>
<td>3.3%</td>
</tr>
<tr>
<td>ALL</td>
<td>3.5%</td>
<td>3.2%</td>
</tr>
</tbody>
</table>

SOURCE: CAPGEMINI RESEARCH INSTITUTE
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Cultivating Raw Talent

In 1896, my great-grandfather left Austria and landed at Ellis Island. To make a living, he repurposed old fabrics and furs by hand into beautiful garments, with minimal waste and toxins because his bottom dollar depended on it. I still wear many of those garments today.

While my great-grandfather didn’t describe his job as sustainable, that’s very much what it was. Today’s supply chains are more complex, but Queen of Raw’s vision is to use technology and advanced logistics to return to the way my great-grandfather did business, which made sense for people, the planet, and profit.

I had an earlier startup—a company that invented a leather alternative. Building that business was an incredible experience, but we were still manufacturing something new. I would go to factories and warehouses and see fabric in mint condition that was going to be burned or sent to a landfill. More than $120 billion worth of excess fabric sits in warehouses around the world.

On the flip side, companies were dying to get their hands on fabric. It was a supply-demand mismatch and a logistics challenge we could solve.

THE NAME GAME

Queen of Raw was the first name I thought of for my business. I was raised in a household that was predominately female and went to an all-women’s school. Both experiences helped me feel empowered to take on challenges. Feeling like a queen and wanting other people to feel like the kings and queens of their domain rang true to me.

When deciding on a name for my company, I didn’t like the word

Stephanie Benedetto Answers the Big Questions

1. **If you had unlimited time and money to travel anywhere, where would you go?**
   Africa. We have a not-for-profit arm and it does incredible work in Africa. My plans are to travel there, both to see the wonderful women we work with and to truly experience the continent.

2. **What would you tell your 18-year-old self?**
   Don’t be afraid to get your ideas out there, test solutions, and learn how to solve world problems.

3. **How would you describe your job or company to a child?**
   My company won a competition in which we had 60 seconds to pitch Ashton Kutcher.

   I practiced this pitch on my four-year-old son: ‘Are you naked right now? You’re not, because you’re using fabric. It’s where it’s supposed to be, covering things like us, and where it’s not supposed to be, sitting in warehouses, being burned, or sent to landfills. We’re solving that problem.’

**Stephanie Benedetto** is co-founder and CEO of Queen of Raw, an online marketplace that makes buying and selling unused fabrics efficient and transparent.

**RESPONSIBILITIES**: Developing and enhancing Queen of Raw’s blockchain-enabled marketplace for unused materials, hiring and managing staff, attracting both customers and suppliers.

**EXPERIENCE**: Associate, Baker Botts; associate, Cadwalader, Wickersham & Taft; legal assistant, Davis Polk & Wardwell

**EDUCATION**: J.D., Emory University School of Law, 2006; B.A., philosophy, political science, economics, University of Pennsylvania, 2002
“sustainable” because it means so many things to so many people. But “raw materials” can apply not just to textiles, but to other materials. And when the name “Queen of Raw” was available in both dot-com and social media, I took that as a sign. It has served us well.

The company’s technical co-founder and I knew our solution had to be quick, easy, and cost-effective for all parties. Rather than warehouse the fabrics in one location, our machine learning and artificial intelligence tools enable buyers to locate inventory near their manufacturing operations, cutting transportation costs and emissions. We also use blockchain to verify product data.

The solution also allows companies to track their progress toward sustainability goals with established standards, similar to the United Nations sustainable development goals.

We collect the funds prior to shipping. The buyer’s price includes the cost of the goods and shipping, plus any estimated customs duties and taxes.

**EASY DOES IT**

Then our system breaks apart the order. If it includes multiple suppliers, each seller gets its portion of the order, including the invoice, packing slip, and tracking label. All the sellers need to do is slap the label on the roll, receive payment minus our commission, and send it out the door.

Early on, the economics of our business model worked, but sustainability wasn’t top of mind at many enterprises. To educate the market, we turned to podcasting and developing a YouTube series. Over time, we built a community of 100,000-plus users. Today, some of the world’s biggest brands buy and sell on our platform.

We face challenges every day, but I’m running this company so my children will have clean water, clean air, and a planet to live on. In 2019, our solution saved well more than one billion gallons of water.

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> GREEN SEEDS

Fast-fashion brand H&M became the first retailer to roll out a line of clothing made from Circulose, a new natural material derived from old jeans, T-shirts, and other cotton clothing, which can help retailers reduce their waste, climate, and deforestation footprint.

The CMA CGM Group partnered with the Energy Observer, a hydrogen-powered vessel sailing around the world, to promote the use of hydrogen as a zero-emission fuel source for the shipping industry. The hydrogen is made from seawater using solar, wind, and hydropower. Producing and burning hydrogen does not result in any greenhouse gas or fine-particle emissions.

The ReadyRefresh by Nestlé beverage delivery service achieved carbon neutrality and earned the CarbonNeutral company certification in accordance with The CarbonNeutral Protocol, a global standard for carbon-neutral programs. ReadyRefresh plans to further reduce its emissions and explore insetting projects within the land and forest areas the company owns.

m&a

- Global transportation and logistics company Maersk agreed to acquire Performance Team, a warehousing and distribution company based in the United States.

- Global logistics solutions provider Odyssey Logistics & Technology acquired RPM Consolidated Services, a full-service logistics and warehousing provider that specializes in Jones Act markets.

- Trimble Transportation, a solutions provider for the long-haul trucking, field service management, rail, and construction logistics industries, acquired Kuebix, a transportation management system provider.

- Pelican BioThermal, a temperature-controlled packaging designer and manufacturer, acquired NanoCool, a temperature-controlled packaging solutions provider based in New Mexico.

- Alabama Motor Express, a trucking and third-party logistics company, acquired all the assets of Powell Transport Solutions, a trucking asset firm specializing in refrigerated freight.

- A&R Logistics, a North American supply chain services company for the chemical industry, acquired First Choice Logistics, a provider of bulk liquid transportation and logistics services to the chemical industry.

> SHOVEL READY

Stonemont Financial Group, a real estate investment firm specializing in industrial development and net-lease assets, opened the Southwest International Gateway Business Park, a 540-acre rail-served industrial park built for cross-border shippers. Located in El Campo, Texas, the park is designed for up to 8 million square feet of industrial space as well as full intermodal and transload capabilities.
differurous SKUs. The logistics provider set up a full automotive logistics process at its automotive competence center in Dunajska Streda, Slovakia.

- PlaceMakers, a building materials and hardware supplier based in New Zealand, will use Descartes Systems Group’s cloud-based route planner to centralize its distribution planning operations. The solution will help automate route planning and execution to better serve PlaceMakers’ more than 300,000 retail and trade customers.

- Saint-Gobain Rigips, a provider of gypsum and plaster products, is adopting Sixfold’s live shipment visibility platform to enable its sales teams and planners to provide customers with real-time shipment data. For the first time, customers will be able to track the status of their goods without calling a carrier.

> GOOD WORKS

Lufthansa Cargo and its joint venture ANA Cargo supported the Australian bush fire relief effort by transporting two tons of relief supplies from Germany to Australia aid stations. The supplies, handmade by more than 20,000 volunteers, included knitted pouches and nests for orphaned and injured animals.

Employees at Southeastern Freight Lines, a provider of less-than-truckload transportation services, completed more than 6,200 hours of community service across 94 projects in 2019, which involved serving meals to families in need and volunteering at veteran organizations, homeless shelters, and domestic abuse shelters.
Predicting the Future of Consumer Demand

Improving demand forecasting is a priority for manufacturers—61% of respondents to a recent AIMMS report say that improving forecast accuracy is either important or extremely important for their organizations. However, only 2% of respondents are extremely satisfied with their forecasts. Many bet on new technologies such as machine learning and demand sensing to improve forecast accuracy (see chart). According to the survey:

**Demand-forecasting technology makes a difference in manufacturers’ satisfaction:**

- Only 2% are extremely satisfied with the tools they use for demand forecasting
- 39% use spreadsheets for demand forecasting, and nearly 45% of them are dissatisfied
- 30% use a specialist forecasting package, and 61% of them are satisfied
- 23% use bundled enterprise resource planning, and most feel indifferent about the tool

Organizations are looking into alternative techniques to improve demand forecasting:

- 56% are exploring statistical modeling of historical demand at their organizations
- 41% are looking into machine learning
- 41% are investigating demand sensing
- 60% are curious about new techniques such as demand-driven material requirements planning

**WHAT DEMAND-FORECASTING TECHNIQUES ARE YOU INVESTIGATING?**

<table>
<thead>
<tr>
<th>Technique</th>
<th>% of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Machine learning</td>
<td>41%</td>
</tr>
<tr>
<td>Statistical modeling of hist. demand</td>
<td>56%</td>
</tr>
<tr>
<td>“Best fit” functionality</td>
<td>29%</td>
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<tr>
<td>Segmentation</td>
<td>35%</td>
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<tr>
<td>Multilevel forecast</td>
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<tr>
<td>Outlier analysis</td>
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<tr>
<td>Causal factors</td>
<td>29%</td>
</tr>
<tr>
<td>Demand sensing</td>
<td>41%</td>
</tr>
</tbody>
</table>

**SOURCE:** AIMMS

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**Robots Arrive in Cars**

North American robot unit orders increased 1.6% in 2019 compared to 2018 with 29,988 robotic units ordered, according to the Robotic Industries Association. The largest driver of the growth was a 50.5% increase in orders from automotive original equipment manufacturers and a 16.6% increase from the plastics and rubber industry.

Orders to automotive component markets were down 6.6%, and all other nonautomotive industries, including food and consumer goods, life sciences, metals, and semiconductor/electronics, contracted by single digits compared to 2018.

The fourth quarter of 2019 was the weakest quarter of the year—6,094 robotic units were ordered, valued at $374 million. This represented a cut of 10.4% in orders and 4.2% in revenue compared to Q4 2018.
Supply Chain Execs Brace for Global Slowdown

Supply chain industry executives anticipate a recession in 2020 amid concerns about downward pressure on global trade volumes, uncertain growth prospects, and ongoing friction between the United States and China.

A recession is likely in the next 12 months, according to 64% of industry professionals surveyed for the 2020 Agility Emerging Markets Logistics Index (see chart). Only 12% of the 780 respondents say a recession is unlikely.

At the same time, most logistics executives say their companies will ride out any turbulence in trade relations between the world’s two largest economies. Of those with operations and investments in China, 70% say they will stay put and that their plans are unchanged despite trade tensions.

If they were to move production or sourcing from China, Vietnam and India are respondents’ top places to relocate. They identify rising trade barriers as the factor most likely to hurt emerging markets growth.

The Index ranks 50 countries by factors that make them attractive to logistics providers, freight forwarders, shipping lines, air cargo carriers, and distributors. In 2020, the top 10 emerging markets are: China, India, United Arab Emirates (UAE), Indonesia, Malaysia, Saudi Arabia, Qatar, Mexico, Thailand, and Turkey.

China, India, and Indonesia rank highest for domestic logistics; China, India, and Mexico are at the top for international logistics; and UAE, Malaysia, and Saudi Arabia have the best business fundamentals.

Despite the belief that a recession is likely, emerging markets still grew an estimated 3.7% in 2019, and the IMF projects they will grow 4.4% in 2020. What is driving growth? According to respondents, modernization of customs systems and processes (23%), increased internet penetration (18%), modernization of logistics provider systems such as WMS and TMS (16%), and increased adoption of online payment systems (15%).
Amazon Shoppers Won’t Abandon Ship

Many U.S. consumers have negative feelings toward Amazon’s impact on the retail industry and the environment, according to a recent consumer survey by Convey. The negative sentiment, however, doesn’t translate to lost sales. The key to Amazon’s success is its industry-disrupting shipping. Major findings include:

- **25% of Americans** have negative feelings about Amazon’s impact on the retail industry as a whole, and 27% of respondents feel very or somewhat negative about its impact on the environment.
- **21% of shoppers** who disapprove of Amazon’s impact on retail still report buying at least 50% of all their goods on the site. Negative environmental impact didn’t sway shoppers either—24% of shoppers who believe Amazon is damaging to the environment still buy at least 50% of all their goods on the site.
- **Younger Americans** feel more strongly about Amazon’s ecological footprint than older generations. More than 1 in 3 millennials say Amazon has a negative impact on the environment, which is 30% higher than respondents overall.
- **Fast and free shipping** is by far the main reason people shop at Amazon, selected by 80% of respondents, followed by its wide product selection (69%). It’s the backbone of Amazon’s success—25% say they would not use the site if they had to pay for shipping, and 39% say they are unsure, meaning 64% of shoppers would consider buying elsewhere if free shipping wasn’t an option.
- **Consumers are more flexible** when it comes to delivery speed. While 12% say delivery within one or two days is essential for them to continue using Amazon, 55% say they would still use the site if deliveries arrived in three to four days, as long as shipping was free. This tolerance drops to 34% if packages take more than five days to arrive.
- **Package theft** remains the biggest worry for 30% of U.S. shoppers. The second biggest concern is needing to make returns (14%) and the lowest concern is poor packaging (3%).

<table>
<thead>
<tr>
<th>Technology currently in use</th>
<th>Technology piloted or used for circular activities</th>
<th>Considering using technology for circular activities in the next five years</th>
<th>No plans to invest</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advanced analytics</td>
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<tr>
<td>(predictive &amp; prescriptive)</td>
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<td></td>
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<tr>
<td>3D printing</td>
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<tr>
<td>Internet of Things</td>
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<tr>
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<tr>
<td>Blockchain</td>
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<td>38</td>
</tr>
<tr>
<td>Other</td>
<td>9</td>
<td>11</td>
<td>66</td>
</tr>
</tbody>
</table>

*Source: 2019 Gartner Future of Supply Chain Survey ©2020 Gartner Inc.*

Going in Reverse in the Circular Economy

While 70% of supply chain leaders plan to invest in the circular economy in 2020-2021, only 12% have aligned their digital and circular economy strategies so far, according to a recent survey by Gartner. About 27% of respondents currently use digital technologies to improve reverse logistics, and 39% plan to do so in the next two years.

Reclaiming materials at the end of life requires reverse logistics for pickup and return to the organization or a third party. Reverse logistics will gain the most attention, says Gartner, indicating that companies are looking at how to take back products for reuse, refurbishment, or recycling—an important step toward a circular economy.

This business model involves complex interdependencies and feedback loops, Gartner notes, starting with an ideal design and planning for end-of-life and raw material reuse. Digital technology can enable visibility and improve decision-making when it comes to raw materials and services.

Organizations currently focus on the following four technologies to advance their circular economy activities (see chart):

1. Advanced analytics
2. 3D printing
3. Internet of Things
4. Machine learning

The top four areas of the supply chain in which these digital technologies are applied are:

1. Delivery (46%)
2. Customer engagement (45%)
3. Manufacturing and remanufacturing (43%)
4. Planning (43%)
TAKEAWAYS

3PL MARKET REVENUE TO CROSS $1.8 TRILLION BY 2026

Growing demand for low-cost services and a rapidly expanding e-commerce sector will boost the market valuation of third-party logistics (3PL) to $1.8 trillion by 2026, according to the latest Global Market Insights report.

The rise in globalization and increasing trade activities around the world are driving 3PL market growth. Companies are adopting various software solutions for warehouse management, real-time data, online documentation for international freight, and inventory tracking.

The European 3PL market is experiencing significant growth, due to the steady development of the manufacturing sector, rising internet penetration, and improved economic conditions across the region. For instance, the U.K. became the ninth-largest manufacturing nation in the world with an annual revenue of US$192 billion in 2019, according to The Manufacturing Organization U.K.

European free-trade agreements with various countries worldwide are also fueling market growth.

Key 3PLs are focusing on providing improved processes and delivering enhanced value-added services to gain customer loyalty. They are extensively adopting technologically advanced and cost-cutting services. These industry participants in the market are also leaning toward adopting digital technology to attract more customers.

For instance, in December 2019, J.B. Hunt Transport Services announced the integration of J.B. Hunt 360 with JDA Software’s supply chain management platform to provide value-added services, including greater pricing visibility, to its customers.

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When the customer service line rings at 3AM, chances are the person on the other end doesn’t want to talk to a machine. Or listen to excuses. That’s why I’m here 24/7. I am a curator of solutions. I know your business and what you need. I specialize in answers. And results. I’m not here just to listen to your problems, I own them. I am Piloting Business®

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The Need for Speed: Overcoming the Final Hurdles to Faster E-Commerce Deliveries

Retailers can feel good about the 2019 holiday shopping season, despite a shorter shopping window. But retailers can’t afford to rest on their laurels. As e-commerce volumes continue to grow and the prospect of supporting next-day and same-day delivery becomes more necessary, retailers need to address new challenges to continue to expand their e-commerce operations.

Expanding the Network
The only way next-day delivery becomes cost-effective and same-day delivery becomes feasible is if the product being ordered is already close to the customer at the time of the order.

That is driving the need for retailers to rethink their network architecture. The first step in this evolution is the addition of new distribution nodes in large metropolitan areas.

The largest e-commerce operators with the scale to support dedicated e-commerce distribution networks are already moving in this direction. It will be necessary for midsize operators, who typically have e-commerce fulfillment integrated with wholesale distribution and store replenishment, to follow suit.

To manage this complexity, more midsize retailers are taking a page from the playbook of larger retailers and turning to third-party logistics (3PL) companies that have the necessary experience to manage an integrated warehouse environment.

More Sophisticated Deployment Strategies
While the challenge of expanding the distribution network is significant on its own, it also introduces another layer of complexity to inventory deployment. As consumer demand and the network evolve, getting the in-store and online inventory mix right is increasingly difficult, as is determining the inventory needed to avoid out-of-stock situations and control inbound freight costs.

Effective inventory deployment strategies—ensuring the right product is in the right location at the right time—enable inventory to be tailored to specific markets and create benefits that extend from more effective marketing to faster deliveries.

Again, 3PLs such as DHL Supply Chain, through their scale, breadth of experience, and resources, are leading the industry in developing the tools to support more effective deployment and positioning.

The Next Step Is a Big One
It would be nice if retailers could sit back and enjoy the fruits of the e-commerce investments they have made, but the market is too dynamic for that. Continued evolution is necessary to support growth and meet rising customer expectations.

These evolutions require specialized network engineering expertise and the ability to integrate systems and establish an end-to-end approach to e-commerce management that extends from inventory deployment through carrier selection.

It’s also necessary to continue to invest in emerging technologies while building the expertise required to leverage the full capabilities of those technologies.

A 3PL with the experience and resources of DHL Supply Chain can help retailers tackle these challenges in the coming years.

To learn more about DHL’s e-commerce fulfillment services, visit bit.ly/DHL_e-fulfillment
True Next Day—Why It Matters

In the ever-evolving landscape of eCommerce, brands are being judged on their ability to deliver on promises; and those retailers that don’t widen their delivery fulfillment options risk losing their competitive advantage.

Online shopping has become an extension of the in-store experience and, in some cases, a replacement for it. Consumers have become accustomed to receiving goods within a short timeframe. The successful retailer will be prepared with a variety of options to meet the increased demand.

True Next Day Delivery

The term ‘next day’ delivery can be misleading. Does it reference business days only or specific days of the week? And, what is the daily deadline for orders? By setting unclear parameters and failing to deliver, retailers risk damaging their reputations. As deadlines tighten and expectations grow, all of these nuances can make, or break, a successful delivery.

When considering next day delivery, retailers must make sure their logistics provider offers the best shipment solutions.

Later Cutoff Times Make ALL the Difference

True next day delivery adheres to later cutoff times and involves a well-connected logistics operation. Retailers often claim to offer next day delivery when, in reality, their cutoff time falls early in the afternoon. When ‘next day’ really means two days, retailers risk missing out on lucrative sales.

Offering a next day service with a midnight cutoff, instead of 3 p.m., could make all the difference—a well-connected provider can easily handle nationwide deliveries at a moment’s notice.

The Delivery Experience Defines the Customer Experience

Tracking technology that includes GPS and barcode systems enables clients to monitor their shipments via emails, text updates, real-time tracking, notifications and photos. Customized portals can be branded to offer a seamless, customer-focused experience from order placement to last mile delivery.

As retailers compete for the perfect delivery experience and consumers continue to pay premiums for speed and reliability, last mile delivery is proving to be the key to successful growth and profitability.

While the expense of failed deliveries is damaging to big companies, it is crippling to small businesses. All retailers should have a back-up plan for when things go awry. Tracking technology can clarify the driver/package’s last location and alternate pickup options give consumers a choice.

3PLs Give You the Competitive Edge

One method of gaining coverage across multiple locations is to work with a 3PL (third-party logistics) provider or freight forwarder that is part of a large network. With experience in warehousing, transportation and distribution, 3PLs are perfectly placed to help retailers gain their competitive edge—making the delivery process seamless, efficient, simple and scalable.

Large 3PLs have multiple warehouses, or fulfillment centers, dispersed throughout the country, enabling them to transport stock from the most convenient location to save time and cost. Additionally, they assume responsibility for inventory management, warehouse storage, packing and billing.

A leading 3PL will help clients maintain excellent relationships with their customers by delivering goods in a timely, transparent way.

Get in touch to find out how SEKO Logistics’ True Next Day service can support your retail operations.
Accounting for Lean

While it’s one thing to have a lean supply chain, it’s another thing to properly account for it.

Let’s use the concept of economic value added (EVA) analysis to help explain and consider Lean supply chain accounting. EVA is an estimate of a firm’s economic profit, or the value created in excess of the required return of the company’s shareholders. EVA is the net profit less the dollar charge for raising the firm’s capital.

The idea is that value is created when the return on the firm’s economic capital employed exceeds the cost of that capital. Companies can determine this amount by making adjustments to generally accepted accounting principles (GAAP).

**CUTTING HOLDING COSTS**

For example, rather than producing in large lots to spread fixed costs over many units—which in traditional accounting may be a good thing as it lowers the cost per unit—EVA and Lean look at reducing lot size to save on holding costs associated with the excess inventory that has been created.

However, EVA and Lean also consider the capital and other investments—such as reducing changeover times—needed to decrease lot size.

Lean accounting works well with EVA by focusing on the value stream—from customers through to suppliers—for an item or a family of items (or service) instead of looking primarily at the general costs of goods sold.

Lean accounting looks at daily cost reports as opposed to after-the-fact weekly or month-end reports, which are common in traditional accounting. It views capacity as an asset instead of just idle time and sees inventory as a liability rather than an asset.

**FROM BEAN COUNTER TO CONSULTANT**

The Lean accounting process frees up time for financial people by eliminating a great number of transactions, reports, reconciliations, and meetings. Lean accounting enables financial people to act less like “bean counters” and more like consultants, providing timely, detailed, focused reports regarding costs at any step in customer fulfillment.

When using traditional accounting methods, companies try to break down expenses by determining the cost of each unit produced, and then create their financials based on that through standard costing.

Lean accounting is more real time, so you look at what you have sold and what it cost you to estimate your profitability continually.

This can have a huge impact on a company’s manufacturing and supply chain processes. Think about it: One of Lean’s main goals is to identify and eliminate waste and non-value-added processes, but traditional accounting systems have no ability to measure waste and inefficiency—and don’t think in terms of value streams.

**FOSTERING LEAN CULTURE**

As consultants, Lean accountants can readily see the impact that expedited shipments and a quarter-end push to meet quotas and targets have on profits. Yet for the most part, today’s executives are primarily driven by financial reports, which don’t do a good job of modeling the supply chain.

Simple and timely information focused on value streams helps empower people at all levels of the organization. It can also foster a Lean culture centered around customer value.

Together, Lean accounting from an EVA perspective and a Lean supply chain can make sure that everyone is rowing in the same direction to reach the maximum, long-range goals and benefits of Lean thinking.
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Our proven capabilities and deep understanding of domestic and international shipping are demonstrated daily through our team of dedicated transportation specialists at more than 140 offices across the United States.

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7 Smart Steps to Minimize Risk

Inherent risks exist in trading globally that businesses don’t have to deal with when they keep things closer to home. But the rewards of expanding to new markets can far outweigh those hazards, especially if you take the following steps to minimize and manage your exposure to risks.

1. Do your research. Be aware of what’s going on in global markets at a macro level. The World Bank’s ease of doing business index is a good resource; it provides insight into business regulations in 190 economies. Trade credit insurers can be another valuable resource, as they keep tabs on economic developments in a range of markets and sectors.

It’s also vital to be aware of any cultural elements of doing business in different markets—a big faux pas can affect the way your overseas partners see you, or even end a business relationship.

2. Don’t jump too quickly into a new trading relationship. Companies new to exporting are often tempted to quickly seize an opportunity. They shortcut the documentation process or fail to have in-house counsel or an external lawyer make sure contracts, payment, and shipping terms are watertight. This can have grave consequences down the line.

3. Get close to the market and the customer. Many exporters make the mistake of trying to manage an overseas business relationship from afar. Without having a local presence, it’s impossible to get a real taste for the local market and customs, and to build a strong relationship with the trading partner. Consider setting up an office (if the opportunity is big enough), appointing a local agent, or having someone visit regularly.

4. Keep an eye on breaking news events that could impact business. For example, the coronavirus global health crisis is affecting production in China, creating a standstill for weeks and causing massive disruption to global supply chains, logistics, and shipping. Be aware of how these types of events could affect your business, and your trading partner’s business, and immediately begin looking for alternative sources of products or component parts.

5. Know where the product is in the supply chain. When a company sells to another trader and not the manufacturer, its end goal is more distant. From a risk management perspective, the farther up a company is in the supply chain, the less risky the business relationship.

6. Watch for signs that a trading partner is headed for financial difficulty. Paying late, pushing back for discounts or going MIA may indicate that a customer has hit some financial roadblocks. Stay clued in to these red flags so you can swiftly investigate the cause of the behavior change and make sure the customer can still make payments. Company leaders should also keep an ear to the ground, using their network to uncover any useful market intelligence on their customers.

7. Have an action plan for dealing with delinquent customers. First, establish the facts: Is the company truly in financial difficulty? Talk with the customer directly or engage a third-party expert to act as a go-between. If a company has a retention of title clause, goods can be recovered. If a customer refuses to communicate, the next step is to start the legal collection process.

PREPARE FOR THE WORST, HOPE FOR THE BEST

Risk management for global business boils down to preparing for the worst but hoping for the best. It hinges on proper upfront legwork, such as getting contracts squared away. It also means thinking through every detail of the business relationship and staying aware of the market, the customer, and local customs.
Building on the industry's strongest performance, most impressive logistics skills and unparalleled global resources, COSCO SHIPPING is working to bring the quality standards of ocean shipping to even higher levels. We'll do it by expanding upon the widest ranging coverage to offer even better end-to-end logistics solutions while accelerating the pace of digitalization through the use of evolving technology. Our commitment to our customers, that We Deliver Value, is made possible and measurable by remaining transparent and adaptable to the constantly changing qualities of commerce.

As the world's leading provider of shipping and integrated logistics solutions, we take the value proposition of our customers as our value pursuit. We will grow together. And, we will continue to create value for our customers.
[INSIGHT]

ECODEV

by Doug Wheeler
President and CEO, Florida Ports Council
doug@flaports.org | 850-222-8028

4 Steps to Ensure Port Resiliency After a Critical Incident

Across the nation, seaports support more than 30 million jobs and have an economic impact of more than $5 trillion. In my home state of Florida, our ports support nearly one million jobs and have an annual impact of more than $117 billion.

We must protect the enormous economic impact of the ports system in Florida and across the country. In Florida, we recently studied resiliency from critical incidents, including threats such as sea level rise, immediate impacts from hurricanes and other natural disasters, and even cyberattacks and security threats. This helps us understand the steps we have to take to protect our ports and the businesses located there, along with the supply chain.

Florida established innovative practices that increase resiliency:  
• Our ports have entered into a memorandum of understanding to assist other impacted ports after a disaster. This could include personnel, equipment, and other resources necessary to recover quickly.
• Our 15 seaports have also invested in a single information reporting platform, known as CommandBridge, to connect and share real-time information with other ports and key state and federal agencies during and after a critical incident.

But we can do more to continue to protect our ports—the property, the businesses, and the employees—from potential threats. These actions include:

1. Collaborate with local communities. Florida ports have worked with state and local governments and utility providers to harden electrical infrastructure, build power redundancy, and receive priority power restoration.

Additionally, our ports have provided support after large disasters, including Hurricane Michael in 2018, when Port Panama City donated acres of land for first responders to help the community’s recovery process begin.

2. Get prepared for any disaster. Conducting regular simulations or scenarios of critical incidents provides a best practice in increasing resiliency and response to natural disasters or other events. Although natural disasters happen more frequently in some coastal areas, preparing for unusual events is also critical to a faster recovery. This includes ensuring that satellite phones or two-way radios are available, and that individuals are trained in how to properly use them.

3. Update procedures. Many organizations have not updated their emergency plans for years. Sea level rise, storm surge, and flood zones require updated plans to ensure fuel and generators are stored above water levels in a natural disaster such as a hurricane. Also, move truck, rail, and cargo to safe locations and above flood-prone areas.

4. Go high tech. Technology provides support to all systems across seaports. Being able to access this technology will be critical to opening port operations and local businesses as soon as possible.

Backing up all technology and communications systems in the cloud and off-site will allow access to critical documentation, from employee contact information to security measures and logistical strategies.

Seaports are a critical hub of employment, logistics, transportation and business. Ports across the country must be prepared to provide resiliency support to tenants and other partners to coordinate response and long-term recovery of the port and the local economy.
IN. OUT.
ON TO
WHAT’S
NEXT.

WELCOME TO DONE!

Welcome to what you need, when you need it. North Carolina Ports is more than the port with the fastest turn times on the East Coast. It’s also the port with exceptional service, unique logistical solutions, and expanded offerings, like three neo-Panamax cranes, improved intermodal rail service and expanded refrigerated container capacity. We’re never done finding better ways to help you discover the power ofDONE.

Learn how NC Ports delivers the world—faster.

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Caffeine Fix: Mug Maker Meets Brewing Demand

With their temperature-controlled mugs in high demand on a global scale, manufacturer Ember turned to SEKO Logistics to handle an influx of orders and help establish a supply chain.

Known for their innovative, temperature-controlled technology, Ember has transformed the everyday cup of coffee into an experience, by allowing the consumer to set and maintain their ideal drink temperature for up to three hours.

**THE CHALLENGE**

Ember’s new, innovative product was growing at a rapid pace—gaining extreme B2B and B2C popularity. With no fixed supply chain, the Ember team struggled to successfully carry out production and delivery schedules to meet the increasing demand. Their entire supply chain, from manufacturing to origin, to shipping and destination had too many parties involved. With the many variables of U.S. logistics, B2B sales, B2C sales, and a possible international expansion, Ember saw an immediate need for assistance.

**THE SOLUTION**

SEKO Logistics was named Ember’s Global logistics partner and they immediately began the process of centralizing all of Ember’s logistics operations within SEKO’s suite of services. From that moment on, any and all logistical issues were forwarded to the SEKO team; with service and reliability being a primary focus.

SEKO established a centralized distribution center at their Chino, California, facility for B2B operations and B2C fulfillment in the U.S.A. A dedicated account team was established to assist with local distribution and e-commerce fulfillment. Next, SEKO gained 100% responsibility for Global air and ocean freight from China, and established an Asia-Pacific Omni-Channel distribution center in Hong Kong to include B2B and B2C Cross-Border Solutions.

Utilizing SEKO’s suite of services, Ember has now gone live in 26 countries, as well as, Tmall—China’s biggest business-to-consumer online retail portal. With a goal of making every logistics decision calculated and effective, the manufacturer focuses on the total cost of ownership (TCO) and the value-justified cost (VJC) associated with utilizing a single 3PL.

As a true partner, the SEKO team constantly looks for ways to improve all U.S. and international operations on Ember’s behalf. SEKO Hong Kong serves as Ember’s Omni-Channel hub in which three parallel distribution centers fulfill all orders for Europe, Asia, and the U.K.

SEKO has given Ember the tools to continue to grow at a consistent, sustainable, and efficient rate. Better efficiency, a single point of contact, and service-based improvements aid in Ember’s stellar customer experience; while a single point of inventory view (SEKO 360 and Omni-Returns) allows for international collaboration and seamless integration.
Why Hub Group?: ‘100% End-to-End Visibility at the SKU Level’

A growing CPG company benefits in multiple ways as Hub Group optimizes its supply chain with a streamlined outsource strategy.

THE CHALLENGE

Managing a supply chain can be complex, especially when it’s for a carve-out company that is now a standalone accounting for a seemingly endless number of networks. Hub Group was engaged by a consumer-focused private equity firm to evaluate the end-to-end supply chain network of one of its food companies to uncover cost savings and efficiency opportunities.

The food company had a well-established brand, yet with its continued growth, it needed a more sophisticated supply chain solution. Navigating each product’s point of origin with multiple incumbents complicated communications with suppliers and customers. This also hampered its ability to govern inventory levels and on-time performance. As a result, the company experienced higher freight expenses, and its lean staff spent more time putting out fires than being strategic.

THE SOLUTION

Hub Group’s supply chain and logistics specialists determined how to achieve greater overall efficiencies and cut costs. The resolution involved leveraging Hub Group’s CaseStack Retail Supplier Solutions, tapping an extensive network of established carriers and relationships and enrolling the company in multiple retail consolidation and food service distribution programs.

Aside from cost savings, performance has improved dramatically, and the company has full access to retail compliance specialists.

Hub Group’s optimized end-to-end supply chain solution replaced eight incumbents with a fully streamlined outsource. This includes customs and cross-border support for inbounds from Mexico, food-grade warehousing in five regions, outbound services with five retail consolidation programs, and less than truckload and full truckload for all non-consolidation consignees.

A senior leader at the company said one reason for choosing Hub Group was “because of its ability to go from pickup to destination with 100% visibility at the SKU level. It’s compelling.”

Using customer portal technology, Hub Group brings enhanced, 24/7 visibility into inventory levels, order tracking, and all documentation needed to avoid costly retail fines. Customers obtain the resources necessary to be proactive with their supply chain, allowing them to better focus on the complexities that come with hyper growth.

To learn more:
email: info@hubgroup.com
phone: 800-377-5833
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Finding a Strategic Supply Chain Partner

Q: Companies have many choices when looking for transportation solutions today. What are the important factors to consider when selecting a strategic partner?

A: In this ever-changing environment marked by varying availability and unpredictable market behavior, you need a partner who can handle these challenges while you focus on growing your business.

You need a partner who can leverage your supply chain through technology and innovative processes, backed up by experts in the field with a deep passion and drive to help other businesses succeed. Your partner should always be ready to help you tackle the challenges that come along the way and make the best of the opportunities ahead.

Q: What’s more important: Technology applied to transportation and logistics, or humans with experience working as a team? Why?

A: Both of them are musts. Lately, technology has allowed us to better approach and translate our customers’ requirements into innovative solutions that add real value to their chain. On the other hand, it makes no sense to have technology without the right people behind it.

If you mix tech with expertise, a thorough understanding of the industry, and great service, then you give value to your customers and tell them you care about them.

Q: Given today’s fast pace of evolution driven by customer requests for new solutions, how important is it for providers to be flexible and versatile? How does LFS demonstrate those qualities?

A: Would the same size shirt fit everybody? No, it wouldn’t. Customers always have different needs and intentions. This is why you should always be flexible and adapt your products to their challenges.

We don’t just ship. We make a huge effort to understand every customer’s business and make competitive offers, each one tailor-made according to what they want, but also what would be more suitable for them. It is about knowing their real needs and offering quality and high-value solutions.

Q: As complexity grows in global shipments, it can be very confusing for customers.

A: When you need to buy something, you have two options: You can do it yourself or look for an expert who can help you with it.

Working with LFS means building relationships with a strategic partner that will help you grow your business through expertise and well-informed choices.

Besides making it simpler by leaving all the hard work and paper processes to us, our customer will get not just a one-time product from a provider, but a sequence of growth-focused innovative solutions from a reliable partner.
Commitment to Service

The Port of Long Beach is the greenest, fastest, most efficient gateway for goods moving to and from Asia and marketplaces across America. We’re keeping our competitive edge while working sustainably, offering unrivaled customer service while we build the Green Port of the Future.
Our name is local but our service knows no boundaries

For more than 60 years, the mission of Atlanta Bonded Warehouse and Colonial Cartage has remained constant: to provide best-in-class integrated warehousing, transportation, and co-packaging services to the food, pharmaceutical, and related CPG industries. Our goal is nothing short of total customer satisfaction.
Contagion. Protectionism. Localization. When one of the largest economies sneezes, the world catches cold. When the two largest economies engage in a tariff fight, world trade bystanders get hurt.

Uncertainty is causing many companies to rethink globalization in favor of localization. The coronavirus is having a large impact beyond sickness and death—global supply chains that send high volumes of commodities and components to China are seeing large downward revisions in their GDPs. Global supply chains that depend on the output of components and finished goods based on those materials are feeling pinched as well.

Tariff threats and growing global tendencies toward higher levels of protectionism contribute to reduced trade flows. On a positive note, the continued communications revolution is expected to ease trade and consumption. The Internet of Things (IoT) and 5G are promising greater capabilities and efficiencies for procuring, producing, and tracking the international flow of goods using cloud-based software as a service.

It appears 2020 will be a year of supply chain hesitations, and then continued growth. By Mike Ogle
Asia remains the most dynamic region in the world, accounting for more than 70% of global growth in 2019 (China accounts for 40% of that). A tremendous volume of goods flows within the region as well, and all these countries have strong import/export and production capabilities.

All other countries in the region have benefited from the diversification away from China, but have also been hurt by trade tensions overall. Tourism remains strong and welcome. Continued growth is expected throughout the region, resulting from substantial infrastructure investments. Hong Kong’s long-standing role as the open financial and trade capital of the region may shift to Singapore.

KEY

US FDI Foreign Direct Investment.

ALL AMOUNTS in $U.S. billions.

X FACTOR provides a +1, 0, or -1 score based on a country’s major existing or potential disruptions or opportunities/strengths.

WORLD BANK LPI SCORE
The Logistics Performance Index ranges from 1 to 5, with a higher score representing better performance. The World Bank provides the score based on its global survey of freight forwarders and express carriers on the logistics “friendliness” of countries where they operate and trade. Countries are scored based on customs, infrastructure, international shipments, logistics competence, tracking and tracing, and timeliness.

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CHINA

GDP $13,608
EXPORTS $2,656
IMPORTS $2,549
US FDI $117

Doubly challenged due to the coronavirus and trade tensions with the United States.

- Highly criticized internationally for authoritarianism and ever-changing adjustments to views about Hong Kong and Taiwan.
- The second-largest economy, leader of the ASEAN Economic Community, and still growing strongly despite all other issues.
- Has developed into a highly influential world power with many investments in countries around the world, primarily for access to commodities.
- Infrastructure investments are still strong through the Belt and Road Initiative and the Greater Bay Area plan.

WORLD BANK LPI SCORE

3.61

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VIETNAM

GDP $245
EXPORTS $260
IMPORTS $251
US FDI NA

One of the strongest GDP performers during the past decade, with projected growth of 6.5%.

- Economic and political reforms led to rapid growth, primarily as a manufactured products and components exporter. Also seeing a robust growth in services.
- Foreign investment continues to be strong.
- Unlike the rest of the region, 70% of the population is under 35 years old. Average age is rapidly rising, however.
- Education quality is high, with strong Program for International Student Assessment (PISA) scores.

WORLD BANK LPI SCORE

3.27
SOUTH KOREA

GDP $1,619
EXPORTS $713
IMPORTS $631
US FDI $42

Strong industrial leader and exporter. Expected to grow 2% in 2020.
- Diversified manufacturer of steel, automobiles, electronics, and semiconductors (its largest export category at 20%).
- High tech and highly educated. Recently announced $51 billion in infrastructure spending and interest-rate cuts.
- On-again, off-again disputes with Japan cause some uncertainty.
- K-pop and the Academy Award-winning movie Parasite are well-known exports, but don’t move the needle economically.

WORLD BANK LPI SCORE 3.61

JAPAN

GDP $4,971
EXPORTS $917
IMPORTS $904
US FDI $125

Facing a recession after the effects of a value-added tax increase from 8% to 10% in October 2019, hurting private consumption.
- Economy also hurt by both trade tensions in the region and the coronavirus. Ultra-low interest rates are attempting to counter the trend.
- Hosting the 2020 Tokyo Summer Olympics can help (if they happen). Growth will be small, if any, in 2020.
- Still a stable, diversified, well-educated country with strong tech and road infrastructure. However, population is aging and shrinking.

WORLD BANK LPI SCORE 4.03

HONG KONG

GDP $363
EXPORTS $683
IMPORTS $683
US FDI $83

Social unrest is hurting Hong Kong, and current projections find no growth in 2020.
- Heavily dependent on the flow of people and goods. Tourism is expected to drop sharply, as is domestic spending.
- There are typically four times the number of visitors compared to the population.
- Exports, which include tourism, are twice the GDP.
- The government is pursuing stimulus measures to ride out the current storm.
- Trade with China is high in both directions as many goods are re-exported worldwide.

WORLD BANK LPI SCORE 3.92
Countries in Southeast Asia and India have benefited from the diversification away from China, but have also been hurt by trade tensions. India’s growth pace and size is the counterweight to China. Malaysia and Indonesia together are large, business-friendly sites with a combined population approaching that of the United States.

Tourism has been welcomed and is strong. Singapore may be turning into the open financial and trade capital of the region, shifting slightly from Hong Kong’s historical role. Continued strong growth is expected as infrastructure investments are substantial throughout the region.

<table>
<thead>
<tr>
<th>Country</th>
<th>GDP</th>
<th>Exports</th>
<th>Imports</th>
<th>FDI</th>
<th>LPI Score</th>
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</thead>
<tbody>
<tr>
<td><strong>THAILAND</strong></td>
<td>$505</td>
<td>$337</td>
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<tr>
<td><strong>INDIA</strong></td>
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<td>$537</td>
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<tr>
<td><strong>SINGAPORE</strong></td>
<td>$364</td>
<td>$642</td>
<td>$546</td>
<td>$219</td>
<td>3.20</td>
</tr>
</tbody>
</table>

Amazon CEO Jeff Bezos told the Financial Times: “I predict that the 21st century is going to be the Indian century.”

- The United States and India are strongly connected democracies in trade and the exchange of expertise, but tariffs create a cloudy outlook.
- Logistics costs as a percentage of GDP are well above those of other developing countries.
- Vast country with the second-largest population at 1.3 billion.
- Larger cities need significant infrastructure investment to reduce congestion and delays.
- E-commerce is growing quickly.
- Has been called the electric scooter capital of the world.

- Global trade is three times the GDP, which was revised downward due to the coronavirus.
- Investing strongly to become a global hub for tech firms, but also spending heavily on protection from rising seas.
- Phasing out petrol and diesel vehicles by 2040.
- Small, agile economy is also a strong financial center.
- Manufacturing focused on value-added electronics, which have taken the strongest hit due to contagion fears.
- Low unemployment makes it challenging to find new employees. Land constrained, but converting islands into mini-hubs for industries.
TAIWAN

Reelected a pro-growth leader in January 2020.

- Encourages Taiwanese companies to invest capital back into the country while building infrastructure.
- Modern, highly diversified manufacturer and exporter that also has well-developed and growing private consumption.
- Growth is slowing and should hit slightly more than 2%.
- Democracy and level of independence clash with China, causing uncertainty in long-term plans.
- The United States is its third-largest trading partner behind China and Hong Kong.

WORLD BANK LPI SCORE

3.60

INDONESIA

Growth expectations of 5% should continue, aided by government incentives and stronger infrastructure spending.

- Many troubled, state-owned enterprises have been targeted to become more efficient and less wasteful.
- Labor regulations are being overhauled and foreign investment is strongly encouraged.
- New leadership with a business background is seen as a strong positive.
- Building a new $34 billion capital city, involving a planning committee of international business leaders and former government chiefs of state.

KEY

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WORLD BANK LPI SCORE

With an average of more than 6.5% GDP growth during the past decade, the country is becoming a fast-growing, low-cost manufacturing resource for the world, primarily in labor-intensive apparel; however, exports of ready-made garments have slowed.

- Infrastructure growth is not keeping pace, resulting in congestion and delays related to movement of goods.
- Continues to face weather-related risks, such as flooding and cyclones, because 60% of its land surface is five meters or less above sea level.
- Financial concerns rising due to underperforming loans.

WORLD BANK LPI SCORE

2.58

BANGLADESH

GDP $274

EXPORTS $41

IMPORTS $64

US FDI NA

Many more incentives needed to maintain a pro-growth environment.

- While the country and its government are targeting higher infrastructure and transportation investments, challenges remain.
- Problems with the labor force, including high unemployment and low education levels, continue to weigh on GDP.
- Security and political risks are high with the country's national elections and the potential for terrorist attacks.

WORLD BANK LPI SCORE

3.15
The biggest development in 2019 was renegotiating the North American Free Trade Agreement (NAFTA), replacing it with the United States-Mexico-Canada Agreement (USMCA). USMCA is more of an adjustment to NAFTA, but adds provisions that greatly affect agriculture and wages.

The U.S.-Mexico border flow and operations remain strong as both countries benefit greatly from the back-and-forth trade to produce products in stages. The border wall between the countries is controversial, but has little effect on trade flow so far, despite occasional threats to close the border for not curbing the flow of people and drugs from Mexico into the United States.

Canada and the United States continue a strong, stable trade relationship that is highly interdependent. Infrastructure links are good, but cross-border crossings using highways can get highly congested at some points.

### Key

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### World Bank LPI Score

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### Canada

- **GDP** $1,713
- **Exports** $551
- **Imports** $584
- **US FDI** $402

<table>
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<th>X Factor</th>
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**WORLD BANK LPI SCORE** 3.73

- Natural resources of oil, minerals (potash in particular), and timber are abundant.
- Highly educated and more open to immigration than the United States, but does apply strong standards.
- May need better internal trade policies as IMF says non-tariff trade barriers resulting from different regulations among provinces hurt labor mobility, limit consumer choice, fragment markets, stifle competition, and limit scale of production, lowering productivity growth.
- The United States’ second-largest trading partner (China is first), but its No. 1 export market.

### Mexico

- **GDP** $1,221
- **Exports** $480
- **Imports** $502
- **US FDI** $115

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**WORLD BANK LPI SCORE** 3.05

- Stands to benefit from the USMCA, primarily due to reduced uncertainty rather than specific policies.
- GDP growth is only about 1% and slowing.
- Corruption is still a concern overall, despite a national strategy to reduce it.
- U.S.-Mexico border continues to have strong connection with heavy flow of goods.
- Uncertainty associated with new leadership, which is viewed as less supportive of free-market policies.
- The trend toward localizing supply chains will benefit border areas.

### United States

- **GDP** $20,544
- **Exports** $2,510
- **Imports** $3,148
- **US FDI** NA

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**WORLD BANK LPI SCORE** 3.89

- The No. 1 economy in the world expects to grow 2% in 2020.
- Tariffs and other trade tensions with China and the EU result in shifts of alternate sourcing to limit future risk, but imports are heavy.
- Debt continues to grow as a result of a large tax cut that stimulated the economy, but resulted in large annual deficits.
- Important election coming in November 2020 with a politically and economically divided nation.
- Infrastructure initiative promises are on-again, off-again.
- Trade hubs and innovation in IoT and cloud-based visibility are strengths.
Growth overall in the region has been low and looks to stay that way during the next few years. GDP per capita has declined and is below low, long-term rates. International Monetary Fund forecasts for the next five years show growth below the global average for emerging market economies.

Social unrest in several countries doesn’t help, but reforms continue to show promise. Large amounts of natural resources resulted in a heavy reliance on commodity trade, but prices have stayed low. Improvement of trade-friendly policies looks to reverse the trend, but will take time.

Venezuela continues to drag down every measure of trade and growth for the region. Chile, Panama, Colombia, and Brazil continue to be the bright spots in the near-term for trade as well as internal development.

**COLOMBIA**

- GDP: $331
- Exports: $53
- Imports: $69
- US FDI: $8

The third-largest economy in South America is rising strongly as an open, business country with a good talent pool.
- An emphasis on IT capabilities (Medellín is now a world-renowned tech hub) and English as a second language results in stronger ties with U.S. companies.
- Growth is still relatively strong at around 3%.
- Infrastructure outside of major cities is challenged, but investment is in progress.
- Open-border policies have resulted in a large number of Venezuelans seeking better opportunities.

**BRAZIL**

- GDP: $1,869
- Exports: $277
- Imports: $267
- US FDI: $71

By far the largest country and economy in South America (and ninth largest worldwide) with many large ports and population centers.
- China encompasses 28% of exports, decreasing 2020 GDP.
- After three years of weak growth, instituting reforms is expected to attract further investment.
- A member of the Mercosur group of trading countries in the region, focusing on free movement of goods by reducing restrictions.
- Agriculture is strong and agritech is a focus. Infrastructure is sound for access deep into the country.

**CHILE**

- GDP: $298
- Exports: $86
- Imports: $86
- US FDI: $26

Although one of the most open and diversified economies in South America, recent widespread protests are a concern.
- Commodity export levels still dramatically affect trade health (e.g., China is the top copper consumer, Chile is the top copper producer).
- GDP forecasts for 2020 and 2021 cut to about 1%.
- A long coastline, many ports, and business-friendly policies overall are strong pluses.
- 2019 was a busy year for trade agreements with the U.K., New Zealand, and Singapore.
- The United States is Chile’s second-largest trading partner.

**WORLD BANK LPI SCORE**

- Colombia: 2.94
- Brazil: 2.99
- Chile: 3.32
The region is a large producer of manufacturing and transport equipment, but that is where growth has turned negative. A general slowdown puts 2020 projected growth at less than 2%. Export volumes and industrial production rate remain flat.

No-deal Brexit increases uncertainty and will result in many supply chain shifts in the region. Car production is weak across Europe, particularly in Germany. The EU’s new emission standards may reduce GDP.

Negative interest rates are new; when they will end is unknown. Also concerning are the tendencies toward protectionism and the types of leaders and coalitions gaining influence. The Brookings Institution views U.S.-European relations as being at a low 3.1/10.

The EU still serves as a consistently large, diverse market that is attractive for a base of operations nearly anywhere because of its consistent rules and agreements.
### BANK SCORE UKRAINE

Debt at 100% of GDP is one of the highest in Europe. Growth expected to be only slightly more than 1%.

- Lack of new government coalition that needs to deal with debt, an aging population, and climate change.
- Brussels faces heavy congestion and pollution due to its role as the EU hub for politics and industry, but still highly attractive for services growth and company regional headquarters.
- Seen by the Organization for Economic Cooperation and Development as having a rising skills shortage.
- Ranked highly as investment destination.

**World Bank LPI Score**

4.04

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### GERMANY

World leader in exports of value-added manufacturing goods with expertise in production machinery, but factory outputs are recently weak.

- Strictest fiscal discipline in the region.
- Planning for a new Tesla Gigafactory near Berlin, but faces concerns about environmental impact.
- New international airport opening near Berlin.
- Minimum wage increase several years ago appears to be having the desired effect without drawbacks.
- Concern that successors to Chancellor Merkel’s leadership may be too protectionist.
- Unemployment at around 5%.
- Plans to phase out coal by 2038, but needs more generation clarity to replace it.

**World Bank LPI Score**

4.20

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### NETHERLANDS

The Dutch government cut the maximum speed limit to 100 km per hour to lower emissions.

- Concern regarding rising seas and great amount of infrastructure dedicated to regional logistics.
- Economic stimulus plan of tax cuts and extra investments. 2020 growth expected to be about 1.5%.
- Ranked first in language skills by IMD Talent Rankings. About 70% of masters degrees are taught in English.
- Has seven of the world’s top 80 universities.
- Weaker regional supply chain demands may impact the country. Housing market tight with a dense population.
- Port of Rotterdam ranked “most attractive” to serve the region.

**World Bank LPI Score**

4.02

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### POLAND

Solid growth in domestic demand and rising wages.

- Labor market is tight. GDP gains are around 3.5% in 2020.
- Increasing concerns about political influence on judiciary system. Household consumption growing strongly, greatly changing urban centers.
- Tourism continues to break records. Aging population and tighter labor market lead to more automation, primarily in lower-tech industries.
- Fighting its reputation as a cheap labor location by greatly increasing minimum wages.
- Lower investments in research and development.
- High coal use. Plans to focus on energy security versus carbon footprint.

**World Bank LPI Score**

3.54

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**KEY**

- **US FDI** Foreign Direct Investment.
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**March 2020 • Inbound Logistics**
The region is expected to grow 2.5% in 2020. Russia and Ukraine have both had slowdowns, but Turkey was not as bad as originally expected.

Turkey-Russia ties have strengthened and resulted in distancing from the United States. Ukraine and Russia tensions continue, but the new natural gas agreement for flows to the EU eases one major tension in the region.

Russian budget balancing for the past two years has been a surprise while debt greatly increased in Turkey.

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**UKRAINE**

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<tr>
<th>GDP</th>
<th>$131</th>
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<tbody>
<tr>
<td>EXPORTS</td>
<td>$59</td>
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<tr>
<td>IMPORTS</td>
<td>$70</td>
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<tr>
<td>US FDI</td>
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</table>

President Zelensky, a former comedian, leads a country that has an uneven relationship with the United States overall.

- Tensions with Russia still high, but generally has strong worldwide support. Recent Russia-Ukraine deal eases one of the EU’s biggest concerns.
- Moved to higher natural gas prices, which helped finances. Highly valued soil for agriculture, plus capable of heavy industrial production.
- Labor productivity continues to increase. Software exports rose to 10% of GDP.

**WORLD BANK LPI SCORE**

2.83

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**RUSSIA**

<table>
<thead>
<tr>
<th>GDP</th>
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<tbody>
<tr>
<td>EXPORTS</td>
<td>$510</td>
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<tr>
<td>IMPORTS</td>
<td>$344</td>
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<tr>
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<td>$15</td>
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Instituted a new value-added tax rate early in 2019 that increased inflation.

- One of the top five producers of precious metals.
- Continued high level of state-owned companies. Their long-time leadership is becoming a greater concern and potentially cuts growth prospects.
- Expecting 2% growth in 2020.
- Government expenditures to increase by more than 10% to stimulate growth.
- United States and EU sanctions from the 2014 Crimea annexation continue.
- Spent trillions to develop internal substitutes for goods that were previously imported.
- Had budget surplus the past two years.
- Plans item traceability by implementing codes and tags for all consumer goods.

**WORLD BANK LPI SCORE**

3.15

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**TURKEY**

<table>
<thead>
<tr>
<th>GDP</th>
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<tr>
<td>EXPORTS</td>
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<td>IMPORTS</td>
<td>$236</td>
</tr>
<tr>
<td>US FDI</td>
<td>$5</td>
</tr>
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</table>

Country leaders take measures to support the lira, pushing for 5% growth in 2020 after the previous year’s slump.

- Disputes over new natural gas found in the Mediterranean and a multicity country pipeline it hasn’t been invited to join.
- Closer cooperation with Russia troubles the United States, which passed an act excluding Turkey from the F-35 jet program.
- Agricultural/industrial growth ended on an upswing in 2019.
- Rapid growth of more than 5% during the past decade.
- Women’s participation in the labor force has grown.
- Construction investment high through external investments and credit, but debt grows.

**WORLD BANK LPI SCORE**

2.76
THE STRENGTH AND SPEED OF A POWERHOUSE PORT

With a robust transportation network and a roster of more than 20 ocean carriers, Port Everglades provides the quickest, most strategic course from ship to shore, and beyond. Count on us to move your cargo in powerful new ways. Visit porteverglades.net or call 800-421-0188.

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- Direct highway access
- One traffic signal to Los Angeles
- Rail connections throughout the U.S.
- On-port Foreign-Trade Zone
- Ocean shipping to 150 ports in 70 countries
MIDDLE EAST & AFRICA

These regions’ dependence on commodity resource exports disrupts supply chains and lowers demand forecasts due to uncertainty.

In Nigeria, every $10 drop in oil prices is a $500 million drop in income per month, according to economists. Most of this region’s countries face similar drops in oil, gas, and other commodities. Once the crisis passes, similar disruptions will fill gaps using infrastructure that is not yet developed to ramp back up as well as down.

Bright spots include the Expo 2020 World’s Fair in the United Arab Emirates and the FIFA World Cup coming to Qatar in 2022.

SOUTH AFRICA

GDP $368
EXPORTS $110
IMPORTS $109
US FDI $8

The IMF sees the second-biggest economy in the continent as having weak private investment and productivity growth, with pockets of high unemployment in a divided society.

• Services are growing, but other traditional industrial sectors are flat or declining.
• State-run power firm in heavy debt, causing power outages particularly in mining.
• Growth predicted at less than 1%.
• Credit rating drop is a threat.

WORLD BANK LPI SCORE
3.38

QATAR

GDP $191
EXPORTS $103
IMPORTS $66
US FDI $11

This export-dependent oil producer has become a significant liquified natural gas supplier. Reserves are estimated to be strong, so the country plans to export even more throughout the 2020s.

• Investing in education and health to diversify the economy.
• Building its first large-scale solar energy plant to provide 10% of demand.
• Spending greatly on infrastructure to prepare to host the 2022 FIFA World Cup.
• Is part of the Gulf Cooperation Council.

WORLD BANK LPI SCORE
3.47

SAUDI ARABIA

GDP $787
EXPORTS $314
IMPORTS $282
US FDI $11

Oil economy is still clearly No. 1 (80% of exports) and has dramatically raised the country’s standard of living.

• Working heavily on diversification, but petrochemicals and plastics still dependent on oil. National Industrial Development and Logistics Program helps with diversification to increase focus on mining, other energy sources, and logistics.
• Saudi Aramco’s initial public offering made news in worldwide stock markets.
• New laws open up foreign ownership, bankruptcy, and mortgages. Finally providing greater freedoms to women.

WORLD BANK LPI SCORE
3.01

UNITED ARAB EMIRATES

GDP $414
EXPORTS $389
IMPORTS $282
US FDI $17

Committing $23 billion to Indonesian infrastructure and energy projects, which involves 11 business agreements in energy, oil, gas, petrochemical, seaport, telecommunication, and research.

• Recently low oil prices have hurt finances.
• Ties its own rates to U.S. interest rates.
• Property prices have dropped.
• Dubai will host the Expo 2020 World’s Fair, where a demonstration of high-bay freight container storage is planned, similar to storage racks for pallets.
• Tourism and service industry is stronger than oil.

WORLD BANK LPI SCORE
3.96

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ALL AMOUNTS in $U.S. billions.

X FACTOR provides a +1, 0, or -1 score based on a country’s major existing or potential disruptions or opportunities/strengths.

WORLD BANK LPI SCORE

The Logistics Performance Index ranges from 1 to 5, with a higher score representing better performance. The World Bank provides the score based on its global survey of freight forwarders and express carriers on the logistics “friendliness” of countries where they operate and trade. Countries are scored on: customs, infrastructure, international shipments, logistics competence, tracking and tracing, and timeliness.
CONSUMERS SEE

A comfy chair.

SC PORTS SEES

A streamlined supply chain and strong business partnership that offers fast, reliable and efficient shipping of any product.
GLOBAL TRADE MANAGEMENT SYSTEMS: A SMART BET
What’s the payout on global trade management (GTM) systems? They help organizations comply with trade regulations and tariffs, automate transactions, and gain supply chain visibility. Leverage the information captured by the GTM and you hit the jackpot.

By Karen Kroll

As trade regulations increase in number and complexity, and tariffs change seemingly overnight, how can organizations be confident they’re complying with both and minimizing potential fines and penalties? As supply chains become ever more global, how can organizations efficiently manage them?

Manual processes and spreadsheets carry the risk of error and quickly become unwieldy. That’s why, for many organizations, the answer is a global trade management system (GTM). Along with experienced compliance professionals, a robust GTM can help organizations take a strategic, automated, and efficient approach to global trade compliance.

For example, Altana, an international specialty-chemicals company, uses a global trade system (GTS) to ensure it does not transact with denied parties, says Billy Duty, global head of supply chain with BYK, Altana’s additives and instruments division. The system also helps Altana track shipments of some chemicals that are subject to export limits, ensuring volumes remain below those requirements.

Accuracy in global trade is key for several reasons:

- **Cost.** When auditing transactions for a client, BPE Global, a trade consulting firm, found misclassifications in two of 10 transactions. That cost the company an extra $8,000 in tariffs. By applying the proper classification to the items being shipped, GTM systems can minimize this risk. “GTM solutions can truly support trade compliance operations,” says Beth Pride, president of BPE Global.

- **Liability.** Even if a company outsources its international trade functions to a broker or freight forwarder, the shipper or importer remains responsible for complying with regulations and tariffs. A GTM solution can help ensure compliance, says Wayne Slossberg, senior vice president with QuestaWeb, a GTM solutions provider.

- **Information.** GTM systems can also help disseminate accurate information across multiple parties. Only about 20% of the information required for cross-border trade comes from the buyer. The remaining information comes from suppliers, carriers, and other entities.

  “Companies that succeed, that can best control costs and ensure supply, ultimately are the ones that can manage data,” notes Gary Schneider, vice president of financial services with Infor, a global software company. Again, GTM systems can play a role.

**WHEN A GTM MAKES SENSE**

While GTM solutions can provide value to many organizations, not every company needs one.

“It’s all about your risk profile,” Pride says. A company selling into a known supply chain—for instance, an established American company that can demonstrate its compliance with all regulations—typically has a lower risk profile than a company selling into regions of the world with high levels of corruption. Companies with an expansive distribution model they don’t control also tend to have greater risk.

Another consideration is the frequency and severity of mistakes that occur when moving products. If customs authorities regularly hold shipments due to inaccurate trade information, or charges from brokers are mounting because they must add data or make corrections, it may be time to consider a GTM solution, recommends Linda McKee, senior director, solution management, global trade services with SAP.

Also factor in the amount of duties being paid, says Elizabeth Connell, vice president of product management with Thomson Reuters. The higher they are, the more likely the company can benefit from the tighter controls and/or
the identification of possible savings opportunities available through a GTM solution.

When choosing a GTM system, quality updated content, such as tariff schedules and denied party lists, is the “golden nugget,” says Ann Grackin, chief executive officer with ChainLink Research, a supply chain advisory firm.Supplying such content requires experts in international trade who constantly monitor and update the system’s database.

Because a GTM often connects to multiple other systems, such as enterprise resource planning and transportation management systems, it should be “solution agnostic,” Schneider says.

The system should handle all facets of international trade. This includes the ability to screen for denied or sanctioned business partners, in real time or batch mode; automatic determination of when import or export licenses are required, and the ability to apply for and manage them; the ability to make available the documentation required by customs authorities, as well as visibility to missing or incomplete documents; and tariff management. It should also support audit requirements by recording, maintaining, and storing relevant actions and changes.

“These features should be provided in such a way that only exceptions are highlighted,” McKee adds. This allows most transactions to flow without manual intervention.

Any GTM should be able to handle all modes of transportation, as well as multiple languages and currencies, says Johann van der Westhuizen, vice president of strategic business development with One Network Enterprises, a platform for autonomous supply chain management.

Visibility tools—say, the ability to track a shipment on its journey—while formerly “nice-to-have” features, have become critical for companies trying to make strategic sourcing and supply chain decisions.

“In the past, the compliance department was more about keeping the company out of trouble and less about bottom-line savings,” Connell says. Now, retaliatory tariffs are impacting many organizations’ bottom lines.

“Visibility and analysis tools help ensure they are taking advantage of all the savings opportunities available,” she adds.

**QUESTIONS TO ASK**

Even if a GTM appears to have all the capabilities a supply chain needs, a few additional questions can help check whether it will live up to its promise. Ask which features come with which versions. Are you looking at the base model or the Tesla? “It’s not always clear,” Pride says.

Also inquire about maintenance and updates. As the industry has consolidated, some investors have come from outside the GTM space, prompting concern about their willingness to maintain and update the systems’ content and functionality during the long term. A few questions can help assess this: Have employees in product management been let go? How frequently do you release new versions? How much are you investing in the system?

**STEPS TO IMPLEMENTATION**

One first step to a successful GTM implementation is reviewing current processes and systems. If a supply chain organization uses several systems, all doing similar things but in slightly different ways, a GTM implementation is an opportunity to standardize and centralize these processes.

That’s the case with the four divisions within Altana. “We’re going to go to one GTM that will be centrally maintained,” Duty says. That will help boost both efficiency and compliance. Say one employee enters “ABC Company” while another writes “ABC Co.”; a centrally maintained system will offer a greater ability to catch all variations.

A second step is to define the business requirements and have a solid idea which features are most critical before contacting a vendor, Pride advises. For instance, if you’re limited to shipping no more than $3,000 of a specific product per day, and you’re shipping from six locations, you’ll want a system that can monitor all shipments and alert you when you’re closing in on the limit.

Any GTM is only as accurate as the data within it. In particular, the harmonizing codes and final recipients “are the two things you have to get right,” Grackin says. Mistakes in either can lead to fines, penalties, delays, and other negative consequences.

**Specialty-chemicals company Altana uses a GTM to track shipments of some chemicals that are subject to export limits, and ensure volumes fall below those requirements.**
To do its job, a global trade management system has to work with the multiple parties involved in cross-border trade, including carriers, suppliers and others. Getting everyone on board can be challenging. “Can the GTM company help?” Schneider asks. Does it have experience onboarding suppliers? Has it located staff in the regions of the world in which your suppliers are located?

While a GTM should automate most trade transactions, it may not make sense to try to automate every single one. “You want to automate as much as possible, but not spend thousands to get the last 3 to 5%,” says Joe Vernon, supply chain analytics practice leader with Capgemini America.

Given that exceptions are going to occur, plan how you’ll handle them before you implement a system. For instance, who will research potential recipients who show up on the denied party list, and check whether a mistake in their name caused them to land there? What time frame will they have?

“Weak processes can cause all kinds of problems,” Duty says, particularly if the data isn’t as clean as it should be.

Once a system is up and running, use the data it provides. “These systems collect a tremendous amount of data, but few companies leverage it,” Grackin says. If the system shows it’s difficult to get shipments out of a particular country, it may also provide insight into routes that would be more straightforward.

Many GTM systems can also offer information on a product’s chain of custody, such as the farm at which a shipment of crops was grown. This data is becoming increasingly important, given consumers’ growing interest in the provenance of the goods they buy, as well as increasing regulations around tracking the chain of custody for pharmaceutical and other products.

**AI AND BLOCKCHAIN**

Artificial intelligence (AI) and blockchain technology, while emerging, are enhancing the capabilities of GTMs, says Troy Duncan, managing director, trade and customs, with KPMG. Blockchain, for instance, can track products and trade documentation—a key function for products such as pharmaceuticals.

Advances in AI also promise to make trade compliance easier. Today, for instance, an employee may need to check a potential recipient’s age by pulling their driver’s license for each shipment. AI can streamline this check.

As GTM system capabilities improve, so will their value—especially as trade regulations and tariffs proliferate and change. While compliance professionals are critical to efficient, effective global trade, proper tools can enhance their efforts.

“GTM systems are starting to hit their stride,” Slosberg says.
... get there from here.

LOCATION
Less than 3 miles to I-95, the main interstate of the U.S. East Coast.

LOCATION
150m+ square feet of developed warehouse space within 30 minutes of the Port of Baltimore.

LOCATION
Access to 2/3 of the U.S. population within 24 hours.
Global trade management (GTM) systems connect sourcing and logistics to make global trade transparent, efficient, and cost effective.

From resource planning and transportation management to analytics, these leading vendors can help take the stress out of managing your global supply chain.

3rdwave/Blinco Systems
TORONTO, ON
3RDWAVE.CO
3rd Wave GTM
Platform: Cloud based
Description: Provides a fully automated and synchronized global trade platform for managing trade compliance from entry preparation and filing through post-summary management. Fully supports product classification, denied party screening control, and license control.
Functionality: Supplier management, transportation management, event management, compliance content, analytics and reporting

Acuitive Solutions
CHARLOTTE, NC
ACUITIVESOLUTIONS.COM
Global TMS
Platform: Cloud based
Description: Dynamically routes inbound/outbound shipments to align mode, provider, and service selection based on each shipment’s need or cost.
Functionality: Supplier management, transportation management

Aptean
ALPHARETTA, GA
APTEAN.COM/PRODUCTS/TRADEBEAM-GTM
TradeBeam
Platform: Cloud based
Description: Delivers an agile, multitenant, highly secure platform. Integrates easily with other back-office solutions.
Functionality: Event management, compliance content, analytics and reporting

BluJay Solutions
CHELMSFORD, MA
BLUJAYSOLUTIONS.COM
Supply Chain Optimization Software
Platform: Cloud based
Description: Empowers businesses to optimize their future in the global economy. Helps users improve efficiencies, minimize risk, and capitalize on opportunities for profitable growth.
Functionality: Supplier management, transportation management, booking functionality, compliance content, analytics and reporting, FTZ

Global trade management (GTM) systems connect sourcing and logistics to make global trade transparent, efficient, and cost effective.

From resource planning and transportation management to analytics, these leading vendors can help take the stress out of managing your global supply chain.
**CargoSmart**  
SAN JOSE, CA  
CARGOSMART.AI

**CargoSmart Transportation Management**

*Platform:* Hosted on the vendor’s website or cloud based  
*Description:* Global shipment management solutions for collaboration, visibility, and predictive insights that leverage artificial intelligence and Internet of Things to optimize supply chain planning and operations.  
*Functionality:* Supplier management, transportation management, booking functionality, event management, compliance content, analytics and reporting

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**ClearTrack**  
BRENTWOOD, TN  
CLEARTRACK.COM

**Clarity GTM**

*Platform:* Hosted on the vendor’s website or cloud based  
*Description:* Operates a global trading network and specialized software modules, enabling the global sourcing of goods; management of product quality, safety, and supplier compliance; source to deliver logistics, purchase order, and item visibility; and the sourcing and spend management of ocean and domestic freight.  
*Functionality:* Supplier management, transportation management, booking functionality, event management, compliance content, analytics and reporting

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**Descartes Systems Group**  
WATERLOO, ON  
DESCARTES.COM

**Descartes CustomsInfo, Descartes Datamyne, Descartes Denied Party Screening Suite**

*Platform:* Licensed to user (installed locally) or cloud based  
*Description:* Provides global trade, duties, tariffs, and restricted party data and services that help companies in diverse industries maximize margins, find new prospects, and vet trading partners.  
*Functionality:* Compliance content, analytics and reporting, FTZ

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**Duane Customs & Freight Compliance Solutions**  
SANTOS, SÃO PAULO, BRAZIL  
DUANESOLUTIONS.COM

**Customs & Freight Solutions**

*Platform:* Hosted on the vendor’s website  
*Description:* Customized compliance services for customs releases, freight forwarding, sourcing, and event management.  
*Functionality:* Supplier management, transportation management, event management, compliance content

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**e-Freight Technology**  
ALHAMBRA, CA  
EFREIGHT.COM

**eCargo**

*Platform:* Licensed to user (installed locally), hosted on the vendor’s website or cloud based  
*Description:* Freight management, security filing, and supply chain management solutions to serve the forwarding and international shipping industry.  
*Functionality:* Supplier management, transportation management, booking functionality, event management, compliance content, analytics and reporting

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**e2open**  
AUSTIN, TX  
E2OPEN.COM

**Global Trade Management**

*Platform:* Cloud based  
*Description:* Helps companies expedite imports and exports, reduce costs of goods by qualifying for trade agreements and duty savings programs, and ensure compliance by streamlining cross-border transactions based on comprehensive global trade content.  
*Functionality:* Supplier management, transportation management, booking functionality, event management, compliance content, analytics and reporting, FTZ
Elemica
WAYNE, PA
ELEMICA.COM

Elemica Buy
Platform: Cloud based
Description: A suite of products to digitize and optimize procure-to-pay processes. Provides procurement and finance visibility into inbound supply chain performance, collaborative replenishment tools, inventory management applications, and automation of business processes, resulting in lower transportation costs, reduced working capital, elimination of paper, and less administrative effort, while improving supplier relationships.
Functionality: Compliance content, analytics and reporting

Encompass Technologies
FORT COLLINS, CO
ENCOMPASSB.COM

Comprehensive ERP Software
Platform: Cloud based
Description: Comprehensive cloud-based ERP software helps distribution warehouses increase operational efficiency and manage growth effectively. The system’s functions can be customized to fit unique business needs with products such as warehouse management, sales execution, logistics, warehouse automation, retailer ordering tools, and more.
Functionality: Supplier management, transportation management, analytics and reporting

enVista
CARMEL, IN
ENVISTACORP.COM

myShipINFO
Platform: Licensed to user (installed locally), hosted on the vendor’s website, or cloud based
Description: Provides shipment visibility, carrier performance monitoring, management reporting, currency, invoice auditing, and VAT visibility across all modes through cloud-based, global freight audit and payment solutions.
Functionality: Transportation management, compliance content, analytics and reporting

Freight Management
ANAHEIM, CA
FREIGHTMGMT.COM

Logistics Consulting
Platform: Licensed to user (installed locally) or cloud based
Description: This not-one-size-fits-all system is flexible. Manages rate options, auditing, and tracking shipments until delivered. Also identifies shortages or damages so claims can be filed.
Functionality: Transportation management, booking functionality, analytics and reporting

Freightgate
FOUNTAIN VALLEY, CA
FREIGHTGATE.COM

Logistics Cloud Software
Platform: Cloud based
Description: Helps global shippers, forwarders, and carriers effectively manage the complex and demanding information flow, and perfect logistics processes. This multimodal zero-touch dispatch and 100% vertically integrated global visibility solution enables companies to manage and automate millions of rates, shipments, and schedules.
Functionality: Supplier management, transportation management, booking functionality, event management, compliance content, analytics and reporting

Freightos
MIAMI BEACH, FL
FREIGHTOS.COM

Freightos Enterprise
Platform: Cloud based
Description: Provides on-demand global freight comparisons across dozens of the world’s largest logistics providers—both multimodal freight rate management and live air cargo procurement—complete with real-time pricing, capacity availability, and e-booking. Freightos also provides real-time ocean freight data with the only daily, data-backed ocean container index.
Functionality: Supplier management, booking functionality, analytics and reporting
Infor
NEW YORK, NY
INFOR.COM

**Supply Chain Management**

**Platform:** Licensed to user (installed locally) or cloud based

**Description:** Infor CloudSuite solutions deliver intelligent, real-time supply chain orchestration by connecting companies to their supply chain partners and digitally transforming processes from planning to delivery.

**Functionality:** Supplier management, transportation management, analytics and reporting

Integration Point
CHARLOTTE, NC
INTEGRATIONPOINT.COM

**Global Trade Management Software**

**Platform:** Cloud based

**Description:** Suite of global management products enabling companies to achieve global compliance while maximizing supply chain savings.

**Functionality:** Compliance content, analytics and reporting, FTZ

LOG-NET
TINTON FALLS, NJ
LOG-NET.COM

**Automated Logistics**

**Platform:** Cloud based

**Description:** An end-to-end global autonomous logistics system that forecasts supplier performance, driving transportation and documentary needs through the classification, importation, and distribution to customers.

**Functionality:** Supplier management, transportation management, booking functionality, event management, compliance content, analytics and reporting

Longbow Advantage
CHARLOTTE, NC
LONGBOWADVANTAGE.COM

**Rebus**

**Platform:** Cloud based

**Description:** Built by Longbow, Rebus is a supply chain management software that provides complete visibility and real-time performance analytics of supply chain and trade networks. A full-stack, flexible, out-of-the-box solution enables fast implementation.

**Functionality:** Analytics and reporting

Navegate
MENDOTA HEIGHTS, MN
NAVEGATE.COM

**Ship Lens, Trade Key, Order Chain**

**Platform:** Cloud based

**Description:** From global freight booking to final delivery, Navegate Emerald tools and specialized cloud-based applications provide sophisticated capabilities that enable full digital transformation of global supply chains. Emerald Forward enables online quotes and booking of global air, ocean, and land-based freight forwarding, anywhere shipments originate.

**Functionality:** Supplier management, transportation management, booking functionality, event management, compliance content, analytics and reporting, FTZ

Oracle
REDWOOD CITY, CA
ORACLE.COM

**Global Trade Management Solutions**

**Platform:** Licensed to user (installed locally), hosted on the vendor's website or cloud based

**Description:** Optimizes and streamlines business processes related to cross-border trade.

**Functionality:** Supplier management, transportation management, booking functionality, event management, compliance content, analytics and reporting, FTZ

Precision Software (QAD)
DOWNERS GROVE, IL
PRECISIONSOFTWARE.COM

**Global Trade Management**

**Platform:** Licensed to user (installed locally) or cloud based

**Description:** Automates documentation production and customs reporting, helping companies adhere to regulatory requirements and reduce hidden costs.

**Functionality:** Transportation management, compliance content, analytics and reporting
**QuestaWeb**
CLARK, NJ  
QUESTAWEB.COM

**Global Trade Management Software**

**Platform:** Licensed to user (installed locally) or cloud based

**Description:** Facilitates timely and compliant movement of goods from origin to destination, across borders, anywhere in the world.

**Functionality:** Supplier management, transportation management, booking functionality, event management, compliance content, analytics and reporting, FTZ

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**SEKO Logistics**
ITASCA, IL  
SEKOLOGISTICS.COM

**Global Trade Management Tool**

**Platform:** Licensed to user (installed locally), hosted on the vendor’s website or cloud based

**Description:** Fully integrated into MySEKO. Provides instant access to all current regulations for any combination of countries.

**Functionality:** Supplier management, transportation management, booking functionality, event management, compliance content, analytics and reporting, FTZ

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**SAP**
NEWTOWN SQUARE, PA  
SAP.COM

**Global Trade Services**

**Platform:** Licensed to user (installed locally) or cloud based

**Description:** Speeds customs clearance, reducing unnecessary delays. Minimizes fines and penalties from trade compliance violations.

**Functionality:** Supplier management, transportation management, booking functionality, event management, compliance content, analytics and reporting, FTZ

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**Transporeon Group**
FORT WASHINGTON, PA  
TRANSPOREON.COM

**Transporeon and Ticontract**

**Platform:** Cloud based

**Description:** Provides end-to-end visibility by simplifying complicated carrier connections. Global collaborative shipment execution platform built for supply chain communication and freight assignment. Enhances communication with partners by bringing logistics-specific information into the transportation management process.

**Functionality:** Transportation management, booking functionality, analytics and reporting

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**TransportGistics**
MT. SINAI, NY  
TRANSPORTGISTICS.COM

**TGI-gTMS**

**Platform:** Cloud based

**Description:** Facilitates spot bid and lane bid workflows from request through pricing management to closure. Offers ongoing tracking ability of both shipments and purchase orders through established EDI connections. Supports decision-making through analytics. Provides route pricing calculations, facilitating accruals, and provides user inquiry for rate comparison based managed lanes.

**Functionality:** Supplier management, transportation management, booking functionality, event management, compliance content, analytics and reporting, FTZ
WHEN BAD THINGS HAPPEN TO GOOD SUPPLY CHAINS

BY MERRILL DOUGLAS
In the Face of Trade Uncertainty and Disruption, Importers Stay Resilient.

If the risk of trade disruption wasn’t at the top of your mind before, that has probably changed since the outbreak of the new coronavirus in late 2019. As the epidemic forced factories in China’s Hubei province to shut their doors, companies around the world began to feel the pain in their inbound pipelines.

In early February 2020, for example, automaker Hyundai temporarily stopped production at its South Korean factories for lack of necessary parts from China. And U.S. technology firms such as Dell, HP, and Qualcomm saw their supply chains threatened as contract manufacturers in and around the city of Wuhan halted production.

The coronavirus is just the latest in an endless string of disruptions that can pinch off supply lines for companies that import materials, components, or finished goods. The 2011 earthquake and tsunami in northern Japan also caused trouble for businesses that didn’t have alternative sources for essential goods. Recent trade disputes—with their on-again, off-again tariffs—created uncertainties that forced some U.S. companies to rethink sourcing strategies.

And at all times, hazards such as earthquakes and hurricanes, fires, labor disputes, and supplier bankruptcies threaten to interrupt supply chains.

“Every year we see 300 to 400 factory fires,” says Bindiya Vakil, chief executive officer of Milpitas, California-based Resilinc, whose technology helps companies monitor supply chain risks. According to Resilinc’s annual summary of risk events reported through its system, along with fires and explosions, the top categories of supply chain disruption in 2017 to 2018 included: corporate changes (mergers and acquisitions, reorganizations, business sales, or spinoffs), natural disasters, regulatory changes, and labor strikes or disruptions (see chart, p. 64).

Dramatic Impact

After companies adopt just-in-time processes, consolidate supplier networks, and expand their supply chains into new parts of the world, those practices leave supply chains more fragile. “Anything from a natural disaster to a fire ultimately affects them in a more dramatic way,” says Lee Galbraith, managing director and founder of Arlington, Virginia-based Scoutbee, which offers a supplier discovery platform that uses big data and artificial intelligence (AI).

If a business doesn’t have alternative suppliers ready to step in, a disruption can do serious damage. “There’s a difference between knowing about a second source and having a second source,” Galbraith says.

Before making plans to survive a disruption, though, a company must first understand which supply chain risks it faces and where they are. To achieve that, it must be able to see, in detail, what’s happening in its supply chain, says Greg Schlegel, executive in residence, supply chain risk at Lehigh University in Bethlehem, Pennsylvania, and founder of the Supply Chain Risk Management Consortium.

“If you don’t acquire good visibility, what you don’t know about your supply chain can and will hurt you,” Schlegel says.

The disaster that blindsides you won’t necessarily be an epidemic or a hurricane. All it takes to throw an operation into panic is a Friday afternoon phone call announcing that a key supplier is going out of business.

To avoid such rude surprises, smart companies subscribe to technology-based services that alert them to events around the world that might interfere with their supply chains. “These services watch the world every 60 minutes, capture all the risk events—small, medium, and large—digitize those risk events, and then send an electronic bitmap to subscribers,” Schlegel says. Users lay those maps over digitized maps of their own supply chains and look for overlap.

Companies such as IBM, Cisco, Coca-Cola, and Bayer Crop Science put these tools at the center of their risk management strategies. Some operate 24-hour “war rooms,” where they track all their inventory against the map of potential disruptions.

“If there is an area impacted by the coronavirus, for example, where an entire city region is locked down—they know that sooner than their competitors,” Schlegel says.

Resilinc is one technology provider that offers this kind of visibility. To detect potential disruptions, Resilinc monitors data on its customers’ own supply chain activities, data provided by suppliers, publicly available data about suppliers, and news reports and social media. Along with natural disasters, relevant news might involve lawsuits, regulatory activities, leadership changes, and cyberattacks. “Bits of news about suppliers can collectively disrupt supply chain operations,” Vakil says.

Quick Response

When a risk management platform shows an imminent trade disruption on the horizon, a company’s first response should be to gather all the relevant facts. Which suppliers are affected? How much inventory does the company have on hand and en route? How soon before supplies run out?

If inventories are likely to run out soon, the company shifts into crisis management mode. “They get on the phone, scan warehouses and distribution centers, and ask how to get additional parts,” Schlegel says. “People work 24/7 until they resolve the issue.”
Early warning of a potential disruption provides a competitive edge. Take the case of a customer whose supplier’s supplier has a factory fire. The first-tier supplier has just enough inventory on hand to fill orders for the next three weeks. If you learn about that problem before other customers do, you can place a new order immediately, before supplies run out.

A quick response also pays off when booking transportation in the wake of a disruption. Consider an importer whose supplier in China has shut down due to the coronavirus. The company might locate an alternative source in Thailand or Vietnam. It will need to book transportation from that new location—but so will many other shippers.

“The sooner you can push your logistics provider to block out space, the better,” says Alan Baer, president of OL USA, a freight forwarder based in Westbury, New York. Third-party logistics (3PL) companies can use their existing relationships with carriers to find capacity. “If you think you will need to supplement ocean transit with air transit, the sooner you’re able to put that forward, the better,” Baer adds.

A 3PL can also suggest the most economical ways to route freight quickly, to compensate for the delay caused by a disruption. Take a U.S. company that usually ships by ocean directly to the East Coast. If inventory is running low, it might get product faster by shipping to the West Coast and then transloading cargo from 40-foot ocean containers to 53-foot domestic containers for transportation by truck with team drivers.

Expedited truck transportation might increase costs, but it could be worth the one-time financial hit to get product to its destination on time.

The top 10 event types in Resilinc’s EventWatch Alerts all increased from 2017 to 2018, with the exception of labor strike/disruption. Regulatory change experienced a stark increase. While there were no significantly disruptive earthquakes in 2018, the number of alerts issued for the event more than doubled. Protests/riots also saw a dramatic increase, which may speak to the tumultuous political climate observed in 2018. Note that human health was last on the list in 2018; it will be interesting to see where it lands in 2019 and 2020.
When a trade disruption is geography specific—as in the case of a natural disaster, labor dispute, or epidemic—seeking an alternative source elsewhere in the world is an obvious strategy. It's not always an easy strategy to implement, however. Companies in some industries, such as high tech, pharmaceuticals, medical devices, and aerospace, work so closely with their suppliers that it's hard to make a switch. In some cases, though, an existing supplier might fill orders from a different location. "Then you don't have to re-onboard your contract," says Vakil.

When switching to a new supplier is feasible, a company might employ a system such as scoutbee, which uses data on supplier capabilities and buyer needs to suggest appropriate matches. The procurement professional would log into scoutbee and enter data about needed parts or materials, current suppliers, and any alternatives for which the purchaser was aware. "Then we use AI to identify other potential suppliers around the world that could do the same thing," Galbraith says. The procurement professional uses that short list of vendors to conduct evaluations and negotiations.

When done manually, that kind of supplier search can take from six to 18 months, depending on the product specifications. "We can do it in four to six weeks," Galbraith says.

**BE PROACTIVE**

When you hope to avoid supply chain disruptions, having a risk mitigation strategy already in place is the best strategy of all. Instead of scrambling for alternative suppliers, for example, a company could pull up a list of pre-terminated backup vendors and start making calls.

"The best way to do that is to identify other suppliers they can go to in a short time frame," says Galbraith. After all, by the time a disruption emerges, everyone affected by that event will be competing for product from alternative sources. "It's a matter of who gets there first, because there's only so much capacity in the world," he adds.

To be sure that backup vendors are ready to help in an emergency, you might cement those relationships by procuring from multiple sources in multiple regions, as a matter of course.

"It's important for importers to take a step back when they can and ask, 'How do I buy a little bit from four countries instead of one, or go from two to four, or from one to two?'” says Baer. Product from country B might cost more than product from country A, but if that strategy guarantees an uninterrupted supply, it could save money in the long run.

Sophisticated companies that have digitized their supply chains study them periodically for potential choke points. Then they perform "what-if" exercises, much like war games, to test possible responses to various disruptions. "They build what we call risk response plans," says Schlegel. "If this happens, then we will do that." When one of those disruptive scenarios actually occurs, someone pulls out the plan and everyone gets to work.

Hundreds of companies offer software that buyers can use to model their supply chains and run scenarios. It's also possible to use simpler tools, such as spreadsheets.

A company with good information about its supply chain, a strong mitigation strategy, and the ability to put its strategy into action should be well positioned to recover from any supply chain disruption.

"That's the resilient enterprise," says Schlegel. "That's the nirvana."
These logistics sites reach for the stars and deliver stellar performance.
E-commerce has remapped supply chains. Across both business-to-business and business-to-consumer transactions, technology is taking on the complexity caused by this shift and driving efficiency.
E-commerce and omnichannel selling continue to upend supply chains. “The linear supply chain no longer necessarily applies,” says Bill Loftis, senior director of integrated solutions with Transportation Insight (TI), a leading multimodal logistics provider. “Products can be delivered from any point in the process to end customers, making it more a web than a chain,” he adds.

Across both business-to-business and business-to-consumer transactions, technology is key to leveraging the opportunity and addressing the complexity inherent in this shift. It starts with systems that provide solid data, visibility, and flexibility.

“Visibility and flexibility will become a requirement for all successful supply chains,” that can meet customers’ expectations for accurate, rapid deliveries, says Robyn Meyer, partner in enterprise solutions with TI. These needs require technology that can share information across organizational silos.

Artificial intelligence (AI) and predictive analytics also are increasingly important. To start, they can provide value in deciding where to locate all operations. Prior to the rise of e-commerce, stores—rather than distribution or fulfillment centers—

“Visibility and flexibility will become a requirement for all successful supply chains.”

Robyn Meyer, Partner in Enterprise Solutions, Transportation Insight

the rising focus on sustainability is shifting thinking. As consumers grow comfortable with longer delivery deadlines, shippers and logistics providers have more opportunities to batch multiple orders, cutting costs and the environmental impact of transportation. It also influences the roles huge warehouses and fulfillment centers play closer to population centers.

Bjornson predicts a range of options. Smaller centers focused on last-mile deliveries likely will locate closer to population centers. Mammoth warehouses used for longer-term storage, and more apt to contain large automated storage and retrieval systems (ASRS) likely will locate in less expensive, ex-urban areas.

INSIDE THE WAREHOUSE

Within the walls of a modern warehouse or distribution center, artificial intelligence can help shippers and logistics providers determine how to efficiently pick items for orders by answering the question, “which sequence is best?” says Apurva Jain, associate professor of operations.
management with the University of Washington. Artificial intelligence also can help the robots charged with picking items to identify them on the shelves and determine how to pick them, he adds.

A combination of robotic process automation (RPA) refers to software that can be programmed to do basic tasks across applications), robotics, and predictive analytics can help shippers and logistics providers optimize processes like cycle time and order tracking, says Bernie Donachie, managing director and head of the supply chain practice with consulting firm Protiviti.

Moreover, these solutions tend to be customizable and relatively affordable. Purchasing also can use RPA to enable “buyerless activity,” Donachie says. Say a manufacturer needs a certain number of widgets to make its products, and the supplier requires several weeks to get the widgets out its door. Based on the schedule and the number of widgets in stock, an RPA system can automatically push an order when a new batch is needed. Some more sophisticated systems can account for factors like

economic order quantities.

In contrast, traditional optimization tools have tended to require vast amounts of computer horsepower. “We’re going to see companies leveraging machine learning to replace traditional optimization tools,” says John Richardson, vice president, supply chain analytics with TI. Machine learning, an artificial intelligence discipline, allows computers to handle new situations via analysis, self-training, observation, and experience.

**ATTRACTING WORKERS**

Along with serving customers, supply chain organizations also need to attract workers to their warehouses and distribution centers—not always easy in a tight economy, Bjornson notes. Labor analytics tools and artificial intelligence can help companies make projections about different labor markets when they’re locating distribution centers. Organizations then can better assess both where to locate their operations, and the optimal level of automation.

Technology also can help reduce the largely physical nature of some warehouse jobs, making them more attractive to many candidates, Bjornson adds. One example: robots that can help move inventory.

One technology that continues to attract attention but has yet to make significant inroads across a wide swath of supply chains is blockchain, Donachie says. The reason? For sectors like pharmaceuticals and jewelry, supply chain professionals often need to know the chain of custody. Blockchain can provide this. For many other organizations, however, that information isn’t as critical, leaving little incentive to implement it.

**HOW MUCH TO RE-DO**

While many shippers and logistics providers are working to implement new technology in their warehouses and distribution centers, “wholesale do-overs are expensive,” says Cyndi Fulk Lago, a principal and supply chain expert with technology consulting firm CapGemini. As a result, many organizations aim for agility first, and then focus on more expensive automating systems.

“Many clients want to start small and add on,” Lago says. That might mean starting with analytic tools that aid in warehouse design, creating spaces that allow for efficient fulfillment of both retail and e-commerce orders. For instance, Lago talked with a sporting goods retailer that is using robotics to help pick and pack orders going both to consumers and stores.

Robots can be added to the existing infrastructures of many warehouses or fulfillment centers without radically re-doing them. In contrast, many traditional systems, like ASRS, require a specific infrastructure.

One company at the forefront of
the changes occurring in distribution center and warehouse technology is Transportation Insight. TI is a non-asset-based third-party logistics (3PL) provider that works across multiple industries to help shippers manage the increasing complexity of their logistics operations. Incorporated in 2000, TI has become a leading provider of custom logistics solutions, with services that span the entire supply chain, and include domestic transportation, international logistics, and warehousing. It’s based in Hickory, North Carolina.

Among the services TI provides is strategic carrier sourcing,

“The linear supply chain no longer necessarily applies. Products can be delivered from any points in the process to end customers, making it more of a web than a chain.”

Bill Loftis, Senior Director of Integrated Solutions, TI

or analyzing shippers’ service requirements and preferences to match them with best-in-class carriers. Its Insight TMS™ transportation management solution provides shippers with all relevant transportation information in one place, so they can identify optimal carriers across multiple modes, create shipping documents, and tender and track shipments, among other capabilities.

In addition to the sophisticated technology suite it currently offers, TI is enhancing its business intelligence tool Insight Fusion® to meet the evolving needs of its shipper clients. Among other analysis capabilities, it enables multimodal shippers to see the shipping cost per unit of each item they’re shipping, Richardson says. With this information, shippers are able to identify areas on which to focus to reduce shipping costs.

The solution also enables shippers to determine the profitability (or loss) on different items and orders. The system will be able to suggest changes that can move unprofitable orders into profitability, Loftis says.

For instance, it may recommend promoting an item that customers can add to their orders, which will help to absorb the shipping costs. It may also identify merchandise categories or order types in which free shipping is almost always going to result in a loss.

Moreover, the system is flexible and can integrate with various manifesting systems, Richardson says. It also can take data from any source and feed it back to any source.

The multimodal intelligence offered by the Insight Fusion® platform is key, given the ease with which e-commerce shipping costs can quickly escalate. “The cost of fulfillment of direct-to-consumer orders can easily exceed 25% of sales. Yet many brick-and-mortar retailers operate at 3% net profit margins,” Loftis says. “That’s not sustainable. A big emerging question is: How do we do this profitably?”

While many shippers are trying to compete with Amazon, not all shipments can ship profitably in two (or even fewer) days. “You need systems and data to tell you whether it can be shipped profitably—before it goes out the door,” Richardson says.

Often, logistics partners can provide this, letting shippers focus on what they do best.

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**TOOLS STEER E-COMMERCE SUCCESS**

To leverage the logistics technology available for e-commerce, Robyn Meyer, partner in enterprise solutions with TI, suggests focusing on:

- **Integrated e-commerce systems.** Some providers are beginning to offer software and portals that can integrate with major e-commerce platforms and marketplaces. Consolidating financial, inventory, and other data provides visibility across the supply chain. This streamlines the data sharing process and minimizes errors while providing a comprehensive view of the supply chain within one platform.

- **Warehouse operation synchronization.** As soon as an order is placed on a shipper’s store site, e-commerce software should automatically choose the warehouse that allows for the most efficient and cost-effective shipping. Inventory levels at each location and the shipping status of each order should be visible.

- **Inventory forecasting.** Once shippers gain visibility to the current inventory levels at each fulfillment center and to historical data, they can project potential stockouts. By connecting purchasing and manufacturing with sales and transportation, companies can ultimately make more accurate purchasing and production decisions.
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Companies set their sights on Georgia with its booming ocean ports, bustling airport, and thousands of miles of highway and railroads.
While Georgia’s mild temperatures, ocean coastline, and peanut crop—the state produces more than half of the peanuts grown in the country—tend to capture attention, the state also is a growing national and international logistics hub.

Georgia is home to 5,000 miles of railroads, 1,200 miles of interstate highways, and the Brunswick and Savannah deepwater ports, along with several inland ports. “Georgia has world-class infrastructure assets,” says Matt Markham, director of the Center of Innovation with the Georgia Department of Economic Development (DED).

The Peach State—in addition to its peanut crop, Georgia ranks third in the country in peach production—offers an extensive supply chain infrastructure that makes it a perfect location for trucking and logistics businesses, as well as those who depend on readily available warehouse space.

“Atlanta is a domestic logistics and supply chain focal point; there are many local transportation providers, logistics companies, and shippers within easy reach,” says Brian Thompson, chief commercial officer with SMC3, a provider of freight transportation technology solutions. Additionally, Hartsfield-Jackson airport allows the company’s employees to travel across North America with ease.

The Port of Savannah, for instance, is the third-busiest gateway in the United States. It features 158 rubber-tired gantry cranes, 33 ship-to-shore cranes, and enough space to double its annual volume to 11 million twenty-foot equivalent units (TEUs).

### ROOM TO GROW

A major expansion at the port, scheduled for completion in 2022, will deepen the river from 42 to 47 feet. This will accommodate today’s larger cargo ships and save businesses an estimated $174 million per year. “Savannah has the room to grow along with our customers,” says Griff Lynch, executive director with the Georgia Ports Authority (GPA).

In addition, the Savannah market features nearly 72 million square feet of industrial space, with another 6 million square feet that was under construction at the close of 2019. Even with this growth, the vacancy rate remains at 3.8%. “Savannah is one of the hottest markets in the country for commercial real estate,” Lynch says.

About 80 miles south of Savannah, the Port of Brunswick is one of the busiest auto and heavy machinery ports in the United States. More than 30 manufacturers of auto and heavy equipment move cargo through this port.

Georgia also is home to several inland ports. The Bainbridge Port, located on the Tri-Rivers System, handles a range of bulk cargo, including nitrogen solution, gypsum, ammonium sulfate, urea, cottonseed, and cypress bark mulch. The Appalachian Regional Port (ARP), established in 2018, “brings the benefits of the maritime port some 388 miles inland,” Lynch says.

### COVERING THE MODES

Shipments heading to or from the ports can travel by Georgia’s two Class I and 24 short-line railroads, which together move nearly 200 million tons of cargo each year. Moreover, the Mason Mega Rail Terminal Project underway at the Port of Savannah will double its annual rail capacity to one million container lifts.

On the road, Georgia’s 1,200 miles of highway allow shippers to reach about 80% of the country in no more than two days of driving time. When goods need to move even more quickly, about 80% of the U.S. market is within a two-hour flight from Hartsfield-Jackson Atlanta International Airport. The facility houses 1.5 million square feet of cargo handling space. The airport’s three main cargo complexes each has its own refueling and support systems, along with easy access to several highways. Adjacent to the airport is the 250-acre Georgia Free Trade Zone.

Along with its logistics infrastructure, Georgia offers a “readily available
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skilled, talented workforce,” says Fritz Holzgrefe, president and chief operating officer with Saia LTL Freight, a national less-than-truckload (LTL) carrier based in John’s Creek, Georgia. This is key, given the technology now expected within the logistics field. At Saia, for instance, this includes the ability to track freight and schedule thousands of employees and tractors every day. “Having those resources available in the market is important,” Holzgrefe adds.

LOGISTICS POWERHOUSE

The economic impact of the logistics industry within Georgia equals about $60 billion, and one in 14 jobs in the state is tied to logistics, Markham says. That number is likely to continue to grow. “The state of Georgia continues to add to and improve its logistics infrastructure,” says Evelyn Goldberg-Davis, executive vice president with JIT Warehousing & Logistics, LLC, a leader in warehousing and distribution technologies. This includes deepening the harbors at the Port of Savannah and expanding intrastate highways and roadways, allowing cost-effective and efficient logistics solutions farther outside of the Southeast corridor.

New rail ports that accommodate increased volumes make inland Georgia a more viable option for production and distribution companies, Goldberg-Davis adds. “Companies are relocating to Georgia to take advantage of the relatively low cost of warehouse space,” Thompson says. For instance, in February 2020, Technical Props, a film industry prop company, announced it was leaving Los Angeles for Atlanta, adding to Georgia’s growing film industry. “We have both the infrastructure and people to make Georgia one of the biggest distribution hubs in the country,” says Hal Justice, vice president, sales and operations with Atlanta Bonded Warehouse Corporation.

KEEPING IT COOL

When spring and summer rolled around in the 1940s, the heat made handling, storing, and delivering chocolate challenging. “In 1948, a broker of Peter Paul Mounds candy had the bright idea to put an air conditioner in a warehouse,” Justice says. “In the 1940s, air conditioning was new in industrial applications.” That was the start of Atlanta Bonded Warehouse (ABW). Over the past 70-some years, it has expanded to 15 warehouses that total 4.9 million square feet across much of the Southeast and its LTL transportation solutions span 26 states. For many of its customers, ABW is the single source of distribution for the United States; for many other clients, ABW handles an oversized footprint, such as half the country. “When customers can minimize inventory locations, they are able to turn faster, reduce stock, boost fill rates, and increase control,” Justice says.

Visibility and control have become critical as more retailers impose fines if stock isn’t delivered on time and in the quantities ordered. Shippers increasingly need to ensure they have the right inventory in the right places, the right transportation resources, and the ability to fill capacity on short notice. “The ability to provide the flexibility needed to meet these criteria has become a critical competency that all third-party logistics (3PL) providers need to have,” Justice says. ABW provides that flexibility.

In addition to operating multi-client and dedicated warehousing facilities, ABW offers freight consolidation and cross-docking programs, as well as co-packing services. Its in-house carrier, Colonial Cartage Corporation, handles load planning, dispatching, routing and delivery, and other
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services for its warehousing and freight consolidation customers.

Given its roots, it’s not surprising that most of the shipments ABW handles are food, food grade, or consumer packaged goods. All its facilities are food grade. ABW even turns down some business to avoid potential safety concerns. “Food safety is becoming a bigger and bigger deal,” Justice says.

Along with segregating potential allergens, even the placement of different foods within a warehouse takes thorough planning. “Some products—like garlic—have a distinct, pungent odor that can migrate to other products,” Justice says. “So, we’re careful about placing products.”

Ensuring that its customers’ many shipments get where they need to go is like a “well-choreographed dance,” Justice says. ABW employees must correctly sequence thousands of stock-keeping units (SKUs) in storage to facilitate order selection.

“It requires coordination with the customer, the outbound and inbound carrier, as well as internally,” he adds. “When each inbound truck arrives at the welcome center, we need to know which building and door to send it to for unloading and how urgently the inbound freight needs to be turned.”

To aid in this endeavor, ABW relies on a tier 1 warehouse management system (WMS), an experienced operating team, and a mindset in which the customer comes first.

Flexibility and resourcefulness also are key. For instance, a co-packaging customer asked ABW to handle another 80 to 90 runs, starting one week later. ABW changed its schedule and added workers to get it done. “We pride ourselves on being asked to do the unreasonable and the impossible, and then doing it,” Justice says.

POWERING GROWTH

“The Port of Savannah’s global carrier network, superior location, and faster-to-market service record provide vital links to international markets,” Lynch says. Among the port’s competitive advantages are these:

- **Rail fluidity.** Containers at the Garden City Terminal at the Port of Savannah move from vessel discharge to rail in less than 24 hours, enabling the port to complete 500,000 rail moves per year. The Mason Mega Rail terminal expansion, when complete, will double the Georgia Ports Authority’s on-terminal rail capacity.

- **Cargo visibility.** Because the GPA tracks intermodal containers from vessel discharge to customer pickup, customers always know their cargo’s location. On-site customer service representatives facilitate cargo movement, both at the terminals and at major inland rail destinations.

- **Flexibility.** With 38 weekly containership services, GPA provides scheduling flexibility and market reach. Of the weekly container services calling at the Port of Savannah, 10 are first-in and 10 are last-out calls. Customers can get their import cargo moving overland more quickly on the first-in calls, while the last-out calls allow exporters to layer additional time into their manufacturing and logistics processes before their cargo has to be loaded on a vessel.

Given these attributes, it’s not surprising that business at the ports of Georgia continues to grow. In 2019, the GPA, which has major operations at the Port of Savannah, the Port of Brunswick, and the Appalachian Regional Port inland terminal, handled 4.6 million TEUs, up about 5.6% over the previous year.

Some of the GPA’s work occurs farther inland. Established in 2018, the ARP handled approximately 36,000 TEUs in CY2019.

“One goal of the ARP is encouraging economic development in a tier 1 county by providing efficient, cost-effective rail access,” Lynch says. “The inland port is having the desired effect.” A case in point: GE Appliances is investing $32 million to build a new logistics center about two miles from the ARP.

To build on its current success, the GPA will invest about $3.6 billion over the next 10 years across a range of capital improvements. This includes expanding container capacity at the Garden City Terminal and developing a new container terminal.
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For more than 60 years, the mission of Atlanta Bonded Warehouse and Colonial Cartage has remained constant: to provide best-in-class integrated warehousing, transportation, and co-packaging services to the food, pharmaceutical, and related CPG industries. Our goal is nothing short of total customer satisfaction.

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Lights, Camera, Action!

In 2020, filmgoers and television viewers will see the release of about 17 films and shows for AppleTV+, NBC, OWN TV, and Netflix that were produced in Georgia. While the tax incentives offered to the industry undoubtedly play a role in producers’ decision to film in Georgia, so does the state’s infrastructure. About one dozen stage operators offer more than 75 stages in Georgia, including two of the largest in the country, at 80,000 and 55,000 square feet, respectively, according to the Georgia Department of Economic Development.

“Having an airport with a lot of direct flights is advantageous for a film industry that brings talent from around the country,” says Nikolay Osadchiy, associate professor of information systems and operations management at Emory University.

“As the production infrastructure is established, the hope is that the reliance on tax incentives for bringing new business will decrease,” he adds.

In addition, the fleet of ship-to-shore cranes at the Port of Savannah will increase from 30 to 42 by 2028. By 2024, the new, larger cranes, which feature a lift height of 170 feet above the dock, will allow the port to serve six 14,000-TEU vessels simultaneously.

The deepening of Savannah Harbor’s inner portion is scheduled for completion in 2021. “By better accommodating today’s larger, more efficient vessels, the Savannah Harbor Expansion Project will yield $7.30 in benefits for every $1 spent on construction,” Lynch says.

The greatest challenge facing the GPA, Lynch says, is keeping up with exponential growth in demand for intermodal rail service. Between fiscal years 2017 and 2019, rail cargo at the Port of Savannah grew by more than 35%—more than twice the rate of GPAs overall growth in container trade.

To help accommodate this growth, the Mason Mega Rail Terminal will add 97,000 feet of new rail track at the Garden City Terminal, bringing it to a total of nearly 180,000 feet. It also will increase the number of working tracks from eight to 18. Together, these will double the Port of Savannah’s rail lift capacity to 2 million TEUs per year.

This capability, in turn, will enable direct rail service to major Southeast and Midwestern markets—areas that offer opportunity for significant market share growth for East Coast ports,” Lynch says.

VALUE IN VERSATILITY

JIT Warehousing & Logistics is well positioned to play a critical role in helping with the continued increase in shipments moving through Georgia to other parts of the country. A family-owned and operated company that’s moving into its second generation of leadership, JIT manages 750,000 square feet of storage space, spread across four facilities, all located within just a few miles of the Garden City and Ocean Terminals at the Port of Savannah, says Goldberg-Davis.

In addition, JIT’s trucking services currently operate 18 tractors for local trucking, while its brokerage division handles over-the-road transportation needs. This includes specialized trucks and trailers for over-dimensional and heavy hauls.

Among the many services JIT offers are warehousing, trucking, shipside delivery, port pickup, container dray, stripping, and cross-docking. Originally an asset-based company, JIT has recently added an owner-operator division to its trucking division to service increased demands.

“We find value in versatility,” Goldberg-Davis says. Customers can count on JIT providing the equipment they need to handle every type of commodity, including palletized general cargo, drums, lumber, paper (both rolled and baled), cotton, steel coils, bar, sheet, tubing, and machinery.

“Import and export, we can receive and ship via rail, domestic van and flatbed, and containers and break bulk,” she adds.

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Saia ships a diverse range of products, from chemicals to pumps and motors. Along with its LTL operations, Saia also provides complete transportation and logistics solutions through Saia Logistics Services and LinkEx, a full-service 3PL.

of JIT since its founding in 1998 by Ben Goldberg, father of Goldberg-Davis. Another daughter, Anna Lockwood, also serves as vice president, and her husband, Trevor Lockwood, oversees JIT’s over-dimensional division, including road escort, rigging, cranes, and specialized tractors and trailers for heavy haul.

Their experience with a broad range of shipment and transportation types provides JIT’s employees with the insight needed to easily troubleshoot the unexpected challenges that inevitably arise in logistics.

“Whether a shipment isn’t packaged as expected or is heavier or lighter than planned—handling these challenges is no problem,” Goldberg-Davis says. Just as important, “being highly versatile has also allowed us to stay relevant though the economic ups and downs over the past 20 years, including during recessions, tariff changes, and other challenges,” Goldberg-Davis says.

This stability means customers can be confident JIT will be there to help them move their shipments on time and accurately—both today and into the future. “We are here to help,” she adds. “With over 30 years of experience, JIT, Just In Time, is your turn-key warehouse and logistics provider.”

STREAMLINED SOLUTIONS

In 1924, Louis Saia, Sr., a produce dealer in Houma, Louisiana, decided he could make more money delivering produce than selling it. He tore the rear seats out of the family car to create Saia LTL Freight’s first truck. With that, he launched his business.

Today, Saia, now based in Johns Creek, Georgia, is an LTL carrier with a network of 169 terminals providing service nationwide.

“We have grown from being a regional carrier to a national carrier,” Holzgrefe says. While most shipments move on pallets, the range of products Saia ships is extremely diverse: flagpoles, paint, diapers, pumps, motors, chemicals, golf carts, and lawn mowers, to highlight a few. “The freight mix generally reflects all corners of the national economy,” he adds.

Along with its LTL operations, Saia also provides complete transportation and logistics solutions through Saia Logistics Services and LinkEx, a full-service 3PL company.

“Saia’s real points of differentiation are quality and service,” Holzgrefe says. In addition to employees’ expertise, technology is critical to ensuring quality and service and serving customers efficiently, he adds. To that end, Saia continues to invest in several areas of technology.

For instance, Saia has partnered with a technology firm to develop industry-leading software that streamlines and accelerates pickup and delivery operations. It quickly and accurately builds routes, which reduces fuel and labor costs, while meeting customer service commitments. This efficiency means customers’ shipments move quickly, safely, and cost-effectively.

At the terminal, Saia uses technology to determine how to most efficiently organize freight coming in for cross-docking. Another solution helps Saia quickly check the weight and dimensions of customers’ shipments, so they can maximize use of their trailers, and provide speedier, more cost-effective shipping solutions for customers.

GREEN PARTNER

Sustainability has also long been a key goal of Saia, and it strives to be environmentally responsible in its operations. Among the initiatives it has undertaken to reduce its carbon footprint are limiting tractor speed, implementing a “no idling” policy, and recycling its used oil, hazardous waste, scrap metal, wastepaper, cardboard, and tires.

The company has aggressively invested in its fleet, reducing the average age of its tractors to less than four years. Its modern fleet includes state-of-the-art safety technology and provides enhanced fuel efficiency.

To continue to provide quality service, Saia is building a new terminal in the northern Atlanta metro area. Slated to open in early 2021, the facility will feature 80 to 100 doors and state-of-the-art logistics technology, as well as energy-efficient lighting and other building systems. “In this facility, we
JIT Warehousing & Logistics is a proven leader in the warehousing and distribution industry. JIT operates throughout the United States moving various commodities including steel and metal products, machinery, wood products, palletized cargo, and more.

Our Savannah, Georgia warehousing facilities consist of over a million square feet of inside storage and an additional 10 acres of outside storage. We are located only a half mile from the Georgia Port Authority’s Ocean Terminal and 3.5 miles from Garden City Terminal.

Over a quarter of a century in the import/export industry, JIT offers world class warehousing, trucking, shipside delivery, intermodal services, specialty hauling, crane services, cross docking, escort services and so much more. All Company owned equipment! JIT is your turn key, Just-In-Time operator.

Now offering two three state of the art rail logistics complexes serving Norfolk Southern and CSX to meet all your logistics needs!
will have ample space so that we can best serve our markets in Atlanta and elsewhere,” Holzgrefe says.

Over the past five years, Saia has grown from about $1.1 billion to about $1.8 billion in revenue. “We’re making a substantial investment in the Atlanta metro area because we have a high level of confidence in not only what we can provide our customers, but more broadly, we’re confident in the economic conditions of Atlanta, Georgia, and the Southeast,” Holzgrefe says.

“There are many advantages to being in Georgia,” he adds. “It is a good environment for business and there is a talented workforce, which is key when it comes to recruiting.”

INSIGHT AND EXPERTISE

As supply chain professionals know, logistics technology continues to evolve at a rapid pace. SMC³ provides the data and technology solutions to facilitate management of the entire over-the-road shipping process, from the initial rating and bidding to after-delivery analysis, helping LTL and truckload stakeholders stay abreast of these changes.

“We’ve always been dedicated to developing technology solutions that serve the entire supply chain ecosystem, and we continually work to serve the needs and solve the issues of every customer working in the modern-day logistics arena,” Thompson says.

“Because SMC³ offers a range of solutions, it’s uniquely positioned to help customers of any size across the continent, including those with diverse freight transportation requirements,” Thompson adds. Its products continue to support customers’ needs as they grow, whether they’re a shipper dealing with 10 shipments per week or a logistics service provider handling 10,000 shipments per day.

“We deliver solutions for those requiring high-powered tools to support transportation optimization and advanced modeling as well as those seeking simpler, secure solutions,” he says.

The company’s solutions support procurement, rate- and transit-time calculations, shipment execution, document retrieval, and real-time shipment visibility. The technology suite SMC³ offers connects shippers with carriers through direct API and EDI communication, as well as through custom data integrations. The goal? “Facilitating the seamless flow of information digitally,” Thompson says.

For instance, shippers look to SMC³’s over-the-road RFP solution BidSense to optimize their freight spend and streamline transportation planning, saving both time and money. For carriers, SMC³’s truckload expertise comes in the form of its Cost Intelligence System, which provides comprehensive insight into the profitability of individual shipments and loads for both truckload and LTL providers. Carriers can obtain accurate and credible cost information by customers, freight terminals, and/or lanes.

SMC³ continues to develop new technology solutions all with an eye to a simple truth: The introduction of innovative supply chain solutions into established supply chain processes is the best way to solve complex transportation issues. With more intelligent, relevant data, shippers can make better-informed choices on optimizing their freight transportation spend, improving carrier selection, and elevating customer service.

“And as data experts, SMC³ also helps shippers standardize disparate carrier data, which may originally be submitted in a range of formats,” Thompson adds.

In its support of the logistics industry, SMC³ offers educational services through semi-annual conferences and online coursework focused on LTL training. “There’s a void in the industry for education, and it is our mission to fill that gap by providing intensive, thoughtful educational experiences to teach the next generation of supply chain leaders how the industry functions,” Thompson says.

TURBOCHARGED SOLUTIONS

Before he launched Turbo Transport—a predecessor to Syfan Logistics—in 1984, Jim Syfan, chief executive officer, worked in the transportation brokerage industry for nearly a decade.

Between 1984 and 2004, Syfan diligently grew Turbo Transport into a $100-million company with more than 150 employees. The company was sold in 2006.
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In 2011, the Syfans decided to tackle another challenge. They started Syfan Logistics by investing in a first-class fleet of trucks and a professional team who shared their ambition and unflagging attention to customer service.

Syfan Logistics remains a family business at heart, even as it has grown into an asset-based, $150-million company with 350 employees and nearly five decades of experience hauling a range of products, with a focus on food, auto, and package delivery.

“Syfan is committed 24/7 to technology and communications. We run our own fleet of trucks, and have gained the expertise to eliminate problems before they happen,” says president Greg Syfan.

At its headquarters in Gainesville, Georgia, a recent 19,000-square-foot expansion provides room to add about 50% more employees over the next two years.

Today, Syfan offers a full menu of services for its customers, including transport, expedited, and third-party logistics, power only, yard management support, freight management services, and project management.

Because Syfan employs its own in-house dispatch team, it’s always on the job, working for its customers. By using advanced communications systems, Syfan keeps customers updated on the movements of their shipments.

From its start, the Syfan team gained experience meeting the demanding

A family business at heart, Syfan Logistics has grown into an asset-based, $150-million company with 350 employees. The company has nearly five decades of experience hauling a range of products. Pictured (L-R): Jose Rodriguez, VP Operations; President Greg Syfan; and CEO Jim Syfan.

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Syfan Logistics is an asset-based, $150 million company with over 250 team members and four decades of experience. We are a leader in transportation logistics because of our 24/7 commitment to technology, communications, our own fleet of trucks – and the experience to eliminate problems before they happen. We haul it all, while our industry expertise is focused on food, auto and package delivery.

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and product-sensitive deadlines of the poultry industry in Georgia. They’ve also worked with some of the country’s largest foodstuffs companies, delivering products ranging from seafood and confectioneries to cereal and soft drinks.

At the same time, “Syfan has taken the same focus on reliability and applied it to our work with non-food customers, including the largest package delivery companies in the world, as well as the nation’s major automotive manufacturers,” Greg Syfan adds.

**LOGISTICS FUTURE: IT’S PEACHY**

The success Georgia’s logistics infrastructure has seen so far promises to continue, given the infrastructure investments the state is making. One example is its $11-billion investment in highway improvements, Markham says. For instance, it’s designing commercial-vehicle-only lanes dedicated to trucks, improving both safety and efficiency.

To start, the lanes will run between Macon, Georgia, and the southern Atlanta metro area, which is home to many distribution centers. “That stretch of Interstate 75 currently sees 16,000 trucks per day,” he adds.

Similarly, Georgia’s ports continue to improve and expand. For instance, the Northeast Georgia Inland Port, slated to open in 2021, will link northeast Georgia with Savannah, and will be able to handle 150,000 container lifts annually.

In early February 2020, the Georgia Ports Authority acquired 145 contiguous acres to the Port of Savannah, equal to more than one million TEUs in annual capacity. This was the largest addition of container terminal space in Savannah in more than 20 years, Lynch said in a release.

The planned Jasper Ocean Terminal, if completed, could make Savannah the nation’s largest container port, says Nikolay Osadchiy, associate professor of information systems and operations management at Emory University. The port, which is estimated to be operational in 2035, would be located in Jasper County, South Carolina, according to the Jasper Ocean Terminal Joint Venture. The endeavor is a partnership between the states of Georgia and South Carolina, a reflection of its proximity to Georgia’s Garden City Terminal, which is served by the ports of both states.

As currently envisioned, the port will be located on 1,500 acres and have capacity for 7 million TEUs. Several transportation projects have been proposed to serve the terminal, including a new four-lane highway and double-track rail corridor.

“Over the past 10 years, Georgia has been annually honored as one of the best states for business in the United States,” Greg Syfan says. “A significant contributing factor is its advantages in moving freight.”
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Americold is the global leader in temperature-controlled warehousing and transportation for the food industry. With 182 sites in six countries, Americold provides the most comprehensive temperature-controlled warehousing, transportation, and logistics solutions in the world. Americold is committed to achieving the highest levels of quality, innovation, and customer service in the industry.

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Georgia Department of Economic Development
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Georgia Ports Authority • www.gaports.com
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There’s No Business Like Shoe Business

THE CUSTOMER
Shoe Station is an independent shoe retailer based in Mobile, Alabama, with 21 large open-shelf shoe stores in five Southwestern states. The company wanted to synchronize and unify inventory and customer data across various in-shop, online, and operating platforms.

by Jennifer Baljko

About 12 years ago, G. Brent Barkin, the son of Shoe Station founder Terry S. Barkin, urged his father to start a website for the family-owned business. The senior Barkin followed his son’s advice and invested some money in creating a new channel. But he had his doubts, asking, “Who’s going to buy shoes from a website?”

Randy Lambert, a 26-year veteran employee of the Mobile, Alabama, retailer and now its vice president of operations, laughs remembering that story and the vision of the younger Barkin, who is now Shoe Station’s president and chief executive officer.

Although e-commerce today accounts for only about 10% to 12% of Shoe Station’s annual six-figure business (the private company does not disclose sales figures), it’s the company’s “busiest location,” with millions of online customers. About 80% of its product offerings are posted on the website.

“Retail today is all about the technology you choose,” Lambert says. “You can’t just do what you’ve always done or you’ll be left behind.”

SIZING UP THE MARKET
Founded in 1984, Shoe Station is a traditional brick-and-mortar company, and, like many of its retail colleagues, it is doing what it can to meet customer demands.

Shoe Station, one of the largest independent shoe retailers in the United States, operates 21 stores in five states in the Southwest—Alabama, Georgia, Florida, Louisiana, and Mississippi. The family-owned chain, with 500 employees, carries about 100 name brands of men’s, women’s, children’s, and athletic shoes, along with accessories such as handbags, belts, wallets, socks, and T-shirts. Its self-service, open-shelf locations range from 12,000 to 30,000 square feet, and, with all the styles, colors, and sizes tallied up, Lambert counts roughly 300,000 SKUs.

Over the years, Lambert has noticed a few typical customer and supplier patterns that require technology investment.

Frequently, customers—particularly men—come to the store and ask for the same shoe they’re wearing. This requires sales associates to determine the manufacturer, figure out whether the style is still made, check if it’s in inventory, and if it’s not, how to get it.

Another pattern happens among women. They pick and try on shoes from the self-service shelves, estimate their correct size, go home, and shop around online. “When they find out that we have the best price, they come back and order it from us or return to the store and
CASEBOOK STUDY

Shoephoria

CHALLENGE
Shoe Station wanted technology that simplified the shop assistants’ jobs, reduced errors, provided inventory visibility, and allowed employees to improve customer engagement and satisfaction.

SOLUTION
Shoe Station migrated to Retail Pro 9 with the help of business partner Big Hairy Dog. The retailer also worked with Retail Dimensions to integrate the Retail Pro solution with their e-commerce site to sync inventory and shopper data between physical locations and online commerce.

RESULTS
Migrating to Retail Pro 9 and better integrating inventory and shopper data allowed Shoe Station to bolt on other solutions aimed at improving the customer experience.
- The company launched its loyalty program and captured 150,000 people for its text message list and 300,000 people for its email list.
- It rolled out a mobile POS solution, allowing sales assistants to work on the floor to better help customers and track inventory at other locations.
- Shoe Station received a 93% customer approval rating on its recently installed HappyOrNot terminals.

NEXT STEPS
Continuing with deeper integration between the loyalty program and mobile POS, examining and expanding its online fulfillment strategies, and finding more ways to engage customers.

ask if we can get the shoes from another location,” says Lambert.

On the supplier side, as e-commerce has grown, manufacturers have also refined their sales and channel strategies. Besides selling on its own website, Shoe Station also sells on Google, eBay, Amazon, and other third-party e-commerce platforms.

Figuring out the various technology pieces Shoe Station needs to remain a viable competitor, a customer-friendly retailer, and a good supply chain partner currently shapes many of the company’s IT initiatives.

A handful of overarching themes guide the company’s tech direction: Implement the smoothest processes for sales associates and customers; synchronize, integrate, and use data to create better customer experiences; and enable sales associates to fully engage with customers without worrying about the technology they’re using.

PUTTING THE IT PIECES TOGETHER

One defining IT tool Shoe Station has invested in comes from Retail Pro International, based in Folsom, California. Shoe Station has been a Retail Pro customer since 2003 and was running most of its operations on version 8 of Retail Pro’s point-of-sale solution. But, when version 9 came out, Shoe Station bumped into some challenges and considered ditching the upgrade.

“Honestly, we were shopping around for something else,” Lambert recalls. “Around the time we were looking at upgrading our system, we found a flaw in what we call the ‘offline mode’ — the ability to continue to use at least one cash register when things have failed in the store, such as when the internet drops or the network fails.”

Lambert adds that it was his initial understanding that the version 9 upgrade didn’t have this offline mode functionality, which Shoe Station uses at least once every week. “We were terrified about the idea of moving to an upgraded system that didn’t have this fail-safe,” he says. “If one piece of the chain failed, and if we couldn’t go into offline mode, then we would either manually write receipts or close our doors.”

Executives from both Retail Pro and one of Retail Pro’s business partners, Sacramento, California-based Big Hairy Dog Information Systems,
assured Lambert that the functionality was there, just named differently, along with other features in version 9 that give Shoe Station a stable and reliable environment.

“In the retail ecosystem, like other sectors, everything is being pushed to the cloud,” says Kevin Connor, Retail Pro’s vice president of product management. “The idea that a system will drop for any number of reasons is something that software developers have to consider.

“There are differences in the way Retail Pro 8 and Retail Pro 9 are deployed, and how the database works,” Connor adds. “In the new solution, there’s a way to have that offline mode, it’s just not called the same thing and not thought about in the same way. We used a different set of technologies to handle that functionality.”

In 2017, Big Hairy Dog, an expert in POS implementations with a long history of working with Retail Pro, stepped in to help Shoe Station better understand the software upgrade and what else could be built on it.

“When we found out Shoe Station was looking to leave Retail Pro, we flew out to meet them and asked, ‘Do you know what you’re leaving? Do you know what you own?’” recalls Colt Riley, vice president of operations, Big Hairy Dog. Retail Pro was Shoe Station’s front- and back-end software platform, with all main operations running on it.

“We worked with Shoe Station for about six months to show them what they had and what they were gaining,” adds Riley, noting that the Retail Pro 8 was an old legacy system that would be hard to integrate with the more modern solutions Shoe Station was seeking.

With the upgrade completed, other solutions could be bolted on and bring Shoe Station closer to its goal of creating better customer experiences in stores and online.

Soon after, for instance, Shoe Station worked with its longtime partner Retail Dimensions, based in Beaverton, Oregon, to integrate Retail Pro with its e-commerce site, and better sync inventory and shopper data between physical locations and online channels.

This value-added, cross-platform functionality is essential as Shoe Station grows its online business. It helps bridge end-to-end activities—from ringing up the sale on the Magento system, transferring goods between the store or warehouse, and managing multiscarrier logistics operations through ConnectShip, to sending shipping notifications to the customer, explains Kurt Beeken, co-founder and owner of Retail Dimensions.

By early 2019, Shoe Station also started its loyalty card program, using Retail Pro’s AppCard solution. Driven by artificial intelligence, the personalized marketing and customer retention platform allows Shoe Station to send emails and text messages to customers. It can customize messages based on customers’ shoe style and brand preferences. To date, Shoe Station reaches about 150,000 people with its text message lists, and has 300,000 people on its email list.

More recently, in 2019, Shoe Station rolled out Apple’s fifth-generation iPods running on FoundryLogic’s Retail Mobile Inventory as mobile POS solutions for shop assistants, an introduction made by Big Hairy Dog. The iPods and software solution allow shop assistants to see inventory across all 21 locations, work with customers away from the cash register, focus on ways to keep the customer happy, and, hopefully, make the purchase.

“Our sales assistants love the iPods but there’s still a learning curve,” Lambert says. “They are not yet using the devices for the POS. They are using them to check prices or look up inventory. That’s great, too, because they can be out on the floor helping customers.”

MAKING CUSTOMERS HAPPY

Looking ahead, Shoe Station remains intent on improving the customer experience.

The near-term plan includes more fully integrating the AppCard loyalty program with the mobile POS solution, doing more fulfillment through Amazon on-site, streamlining the way customers find and buy products, and making sure customers are happy when they leave the store or website.

Lambert says Shoe Station is well on the way to hitting the mark on many of these goals. Real-time feedback on recently installed HappyOrNot terminals, where customers can touch smiley or sad faces to register their in-store and online experience, show the mood and pulse of customers.

“We get 20 to 30 comments daily per store on the terminals, with an approval rate of about 95%,” Lambert says. “We must be doing something right.”
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What does the Amazon Effect mean for the petrochemical industry? Three supply chain executives discuss how they handle supply chain digitization, including the technologies that U.S. petrochemical companies should consider and how blockchain and robotics can enhance their operations. This whitepaper also outlines the industry’s current level of technology adoption and the barriers that often delay this transition.

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GUEST: Katie MacDonald, Vice President of Agent Development, Landstar

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> TiltSort-Bot AMR High-Speed Sortation System: The new TiltSort-Bot parcel and item sortation autonomous mobile robot system from Conveyco Technologies employs bots to get materials to order chutes via the shortest path. The TiltSort-Bot moves at up to 10 feet per second. Equipped with a tilt tray top, each bot completes its task and returns to the induction station for its next pick. Each chute position can be configured to handle one or two sortation locations.

> E-Z Reach Portable Container Tilters: These hydraulic units from Southworth Products tilt wire or plastic baskets, totes, and other large containers toward the user (up to 85 degrees) with the push of a button. The improved accessibility to materials increases worker productivity and reduces the risk of back injury. Equipped with front rollers and rear swivel casters, the tilters are easily pushed from one location to another for sharing between work cells.
> **BG Sorter Compact CB Sortation System:** The smart, high-capacity sortation system from BEUMER has a tight curve radius, which means it can be used in small spaces. The compact cross-belt loop sorter enables high-speed sortation while reducing per item handling costs. Offering a wide selection of tray widths and pitches, the system can handle items of various sizes and lengths.

> **TAB Wrapper Tornado:** The portable orbital wrapping machine from TAB Industries can be moved safely around the warehouse without requiring a lift truck. By moving the machine to the product, materials handling managers can minimize the risk of damage to products in process. The solution wraps plastic film 360 degrees around a pallet and its load to secure the load to the pallet and create a sturdy, unitized load without banding, boxing, or strapping.

> **A-Frame:** This automated picking solution from Inther Group makes quick work of complex orders. It collects up to five products per second per ejector and offers stock management updates. A sensor calculates the height and number of items in the column while intelligent ejectors ensure products are processed quickly and safely.

> **Activated Roller Belt (ARB) Large Parcel Singulator:** This system from MHS transforms a bulk flow of packages into a single-file stream to feed automated sortation systems. Capable of handling up to 12,000 parcels per hour, the ARB Singulator uses a series of roller belts that operate at progressively increasing speeds, with more than 99% singulation accuracy. MHS uses computer vision to measure incoming flow, modulate conveying speeds, and cull side-by-side packages.

> **Flexytote:** Scallog’s Flexytote robot transfers multiple bins in warehouses, providing an alternative to conveyor/trolley workflow systems. It automates multi-bin transfer and bin/box loading and unloading operations in warehouses. The robot accelerates the picking of multiple orders while eliminating unnecessary movement and handling.
> The new Impact-A-Track LED is designed to protect door tracks against forklifts, pallet jacks, and other equipment in high-traffic warehouse areas. The low-profile communication system from APS Resource is constructed with ultra-high molecular weight polyethylene and features red and green LED lights to communicate restraint status.

> Short-range wireless identification solutions designer Confidex released its new TireTag, which is designed to be embedded inside a tire before the vulcanization process and tracks it throughout its life cycle. The tag’s small size and omni-directional antenna design make it suitable for both warehouse and yard management applications.

> Cold chain shippers can now monitor shipments with a tracker that provides connectivity through emerging technologies such as Category M (Cat-M) and Narrow Band Internet of Things (NB-IoT). Emerson’s GO Real-Time Tracker based on 4G/Cat-M technology can monitor in-transit conditions, such as temperature, location, light, and humidity for up to 20 days of continuous operation. The unit includes 2G connectivity as a backup and will also accommodate emerging 5G networks.

> Mezzanine Safeti-Gates’ Dock-Lift safety gate received a patent for its crossing-guard operation, which ensures safety in lifts used in tight spaces. The gates pivot up and off to the side instead of swinging away, which allows them to fit lifts in areas close to the building or loading dock.

> Electric forklift users can further boost energy efficiency with new lithium-ion power solutions from Mitsubishi Caterpillar Forklift America, which manufactures forklifts under the Jungheinrich brand. The lithium-ion battery solutions and integrated batteries support more than 40 electric forklifts, reducing maintenance and offering long life cycles for greater uptime and productivity.

> Shippers moving cargo between the UK and India will have a direct link to and from the north of England starting in October 2020 when Virgin Atlantic Cargo launches its new Manchester-Delhi services. The air carrier plans to operate three A330-200 flights every Monday, Thursday, and Saturday.

> Topper Industrial’s two-position transfer cart enables easier loading of materials. By moving materials with powered rollers, the automated transfer cart increases load capacities and improves cycle time.

> Products

- New Impact-A-Track LED
- APS Resource’s low-profile communication system
- Confidex’s TireTag
- Emerson’s GO Real-Time Tracker
- Mezzanine Safeti-Gates’ Dock-Lift safety gate
- Mitsubishi Caterpillar Forklift America’s lithium-ion power solutions

New Services and Solutions
> **SERVICES**

> Sellers on Walmart’s platform can now access the retailer’s supply chain capabilities—from storing, picking, packing, and shipping to reverse logistics and customer service—through its new Walmart Fulfillment Services (WFS). Participating sellers pay a low storage and fulfillment fee and can access Walmart’s fulfillment options, including two-day shipping, and in the future, next-day delivery.

> Confectionery, snack, and other food suppliers, both refrigerated and dry, can benefit from a time-defined temperature-controlled distribution service from Weber Logistics, which established pool distribution hub operations in Kent and Vancouver, Washington. Delivering the food products to retail distribution centers throughout the Pacific Northwest, the new operation consolidates products with similar temperature requirements.

> Sensitive-freight shippers, such as farmers, fresh food suppliers, and retailers, can now take advantage of tailored service from Arrive Fresh, Arrive Logistics’ new division focused on serving perishable shipments. Arrive Fresh moves produce, meat, fish, seafood, dairy, and flower freight by leveraging a centralized team that identifies optimal carriers.

> Logistics provider Gebrüder Weiss now offers land transport to all regions of Russia, securing this cargo service with its new and exclusive partner JDE (Zheldor Ekspeditsiya). The general freight carrier JDE’s 244 locations in Russia augment Gebrüder Weiss’ international network, providing access to markets in Central and Southeastern Europe, as well as Central Asia and the United States.

> Ryder System expanded its peer-to-peer truck sharing platform, COOP by Ryder, to the Dallas-Fort Worth market to meet the growing demand for commercial vehicle sharing. COOP lets commercial vehicle owners generate revenue by renting idle trucks and trailers to a network of vetted shippers. In addition to Dallas-Fort Worth, the platform is also available throughout Georgia and Florida.

> Pilot Freight Services added warehouse capacity in El Paso, Texas and increased its Foreign Trade Zone (FTZ) capacity. Pilot’s El Paso FTZ offers U.S.-based companies the option to defer, reduce, or even eliminate customs duties on its products admitted to the zone. Located close to the Zaragoza Bridge, the FTZ allows for shorter transit times to the Mexico border.

> **TECHNOLOGY**

> Shippers can now customize weather alerts in Baron’s Threat Net monitoring and forecasting tools. Users select a weather parameter to monitor and choose the condition or forecast criteria to trigger an alert. When conditions are met, alerts are delivered via text and email, or onscreen to a desktop or tablet.

> Evergreen Line launched GreenX, an integrated container logistics solution platform. GreenX offers spot rates with secured space, letting shippers book space with prioritized equipment supplied by the carrier. The digital portal, powered by neutral freight technology supplier BlueX Trade, also enables shippers to make payments and submit verified gross mass and bill of lading instructions online.

> Averitt Express unveiled a transportation management system (TMS) called Averitt
Connect designed for small and mid-sized shippers. The transportation and logistics services provider partnered with MyCarrierTMS to provide customers access to a centralized, browser-based platform to manage LTL shipping at no charge.

> **SMC**’s cloud-based BidSense, which allows LTL shippers to lock in over-the-road contract rates and manage bid events automatically, is now offering these capabilities to truckload users. The new truckload functionality streamlines truckload freight transportation procurement, allowing shippers and 3PLs to bid out freight to a wide range of carriers.

> **One Network Enterprises,** a provider of multi-party business networks for autonomous supply chain management, released the latest version of its Global Logistics Gateway, designed to help organizations digitize transportation processes. Shippers can publish demand, while allowing transportation providers, digital freight matching companies, and other freight marketplaces to post available capacity and rates. The service then selects the best available capacity.

> **Infinity Intermodal** (formerly Infinity Transportation Logistics LLC) increased the size of its refrigerated intermodal container fleet and also added a new lane to/from Minnesota, with more lanes planned in 2020. Infinity Intermodal offers Pacific Northwest shippers access to nearly two-thirds of U.S. consumers, providing temperature-controlled, full truckload, door-to-door domestic intermodal service.

> **Produce and floral shippers** can now monitor the humidity of their shipments with DeltaTrak’s FlashLink In-Transit BLE TH (Temperature & Humidity) Logger. Also offering temperature and location monitoring, the logger employs wireless technology and smart phone functionality to provide trip data.

> **LTL shippers** can digitize the paper bill of lading process with a new solution from Roadrunner Freight, a business unit of Roadrunner Transportation Systems. The new technology, which utilizes advanced API connectivity, enables customers to electronically submit shipping documents and improve the quality of data.

> **The New York Shipping Exchange** (NYSHEX), which aims to increase ocean reliability through digital contracting, launched an enhancement allowing shippers to utilize the NYSHEX framework and technology to secure, monitor, and enforce ocean contracts signed outside of the exchange.

> **Airfreight transportation provider LATAM Cargo** launched two routes for cargo originating in the United States, increasing capacity from North America to Central and South America. The new Miami-Panama-Bogota and Miami-Calí routes are operated by B767-300F aircraft twice per week to support demand for general cargo, electronics, pharma, and dangerous goods.
In Brief

- Port Manatee-based World Direct Shipping added a third vessel to its weekly services across the Gulf of Mexico. New ports of call include Tuxpan, the closest commercial port to Mexico City, and Tampico in the state of Tamaulipas.

- Perishable cargo shippers can now avail of ZIM’s seasonal Egypt-Black Sea Express reefer service. The weekly, fixed-day service provides a direct link from Alexandria to Novorossiysk NUTEP terminal with a four-day transit time.

- Airfreight shippers can expect increased connections with the launch of the expanded Trans-Atlantic joint venture from Air France-KLM Cargo, Delta Air Lines Cargo, and Virgin Atlantic Cargo. The new partnership enables the airlines to offer a combined network of up to 341 peak daily Trans-Atlantic services.

- The cargo-partner iLogistics Center next to Prague Airport was certified for storing and handling organic products in accordance with the EU Eco-regulation by the inspection body ABCERT. The facility provides optimal storage conditions for milk, meat, baked goods, beverages, fruits, and vegetables in primary packaging as well as other goods requiring temperature-controlled storage.

- ID Label’s Eco Tote Renew, an eco-friendly, linerless version of its tote labeling solution, is a label holder that applies permanently to reusable warehouse containers. Its coated surface makes it easy to apply and remove barcode tracking labels, eliminating the need to scrape off old labels or stack multiple labels on top of each other.

- OOCL, COSCO Shipping Lines, Ocean Network Express, and Yang Ming launched a new East Mediterranean–America Service. The weekly service bolsters the ocean carriers’ Trans-Atlantic coverage.
Senior procurement executives, suppliers, and providers share innovative ideas, learn about key challenges and relevant market developments, and gain first-hand insight from successful leaders.

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Supply chain and procurement professionals attend breakout sessions, take in morning keynotes, and meet with suppliers at the Institute for Supply Management conference, which infuses interaction and idea generation into new, hackathon-style workshops.

The Warehousing Education and Research Council helps logistics professionals stay on top of industry developments and build business relationships. Instead of traditional trade-show booths, attendees can ask questions in an interactive, casual group setting.

World Trade Week promotes the positive aspects of international trade through educational programs and events. Kick off the week-long celebration with a morning of thought leadership and networking.

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Unfortunate-looking but still-fresh fruits and vegetables are making a supply chain comeback. Long shunned by grocery stores and ending up as food waste, so-called ugly produce is finding its niche through the efforts of some enterprising companies.

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